REPORT OF THE INTERNATIONAL CIVIL SERVICE COMMISSION FOR THE YEAR 1991

Volume I

GENERAL ASSEMBLY

OFFICIAL RECORDS: FORTY-SIXTH SESSION

SUPPLEMENT No. 30 (A/46/30)

UNITED NATIONS

REPORT OF THE INTERNATIONAL CIVIL SERVICE COMMISSION FOR THE YEAR 1991

Volume I

GENERAL ASSEMBLY

OFFICIAL RECORDS: FORTY-SIXTH SESSION

SUPPLEMENT No. 30 (A/46/30)

UNITED NATIONS

New York, 1991

NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

ISSN 0251-9321

[Original: English]

[27 September 1991]

CONTENTS

Volume I

Chapter		Paragraphs	Page
	ABBREVIATIONS		vii
	GLOSSARY OF TECHNICAL TERMS		viii
	LETTER OF TRANSMITTAL		xi
	SUMMARY OF RECOMENDATIONS THAT CALL FOR DECISIONS BY THE GENERAL ASSEMBLY AND THE LEGISLATIVE ORGANS OF THE OTHER PARTICIPATING ORGANIZATIONS		xii
	SUMMARY OF FINANCIAL IMPLICATIONS OF THE COMMISSION'S RECOMMENDATIONS AND DECISIONS FOR THE UNITED NATIONS AND PARTICIPATING ORGANIZATIONS		xiv
I.	ORGANIZATIONAL MATTERS	1 - 9	1
	A. Acceptance of the statute	1 - 2	1
	B. Membership	3 - 6	1
	C. Sessions held by the Commission and questions examined	7 - 8	2
	D. Subsidiary body	9	2
II.	ACTION TAKEN IN RELATION TO RESOLUTIONS AND DECISIONS OF THE GENERAL ASSEMBLY AT ITS FORTY-FIFTH SESSION	10 - 45	3
	A. Review of the functioning of the International Civil Service Commission	10	3
	B. Action taken in relation to other requests from the General Assembly	11 - 15	3
	C. General Assembly resolution 45/268: United Nations common system and United Nations pension system	16 - 45	4
III.	PENSIONABLE REMUNERATION AND PENSION ENTITLEMENTS	46 - 90	12

CONTENTS (continued)

Chapter		Paragraphs	Page
	A. Pensionable remuneration for the Professional and higher categories	46 - 71	12
	B. Comprehensive review of pensionable remuneration for the General Service and related categories of staff	72 - 90	18
IV.	CONDITIONS OF SERVICE OF THE PROFESSIONAL AND HIGHER CATEGORIES	91 - 173	25
	A. Remuneration of the Professional and higher categories: evolution of the margin between the net remuneration of the United States federal civil service and that of the United Nations system	91 - 116	25
	B. Base/floor salary scale	117 - 127	32
	C. Matters relating to post adjustment: report on the sixteenth session of the Advisory Committee on Post Adjustment Questions	128 - 136	35
	D. Study of the grade equivalencies between the United Nations system and the comparator civil service	137 - 150	37
	E. Identification of the highest-paid national civil service	151 - 159	40
	F. Comprehensive review of conditions of service of Assistant Secretaries-General and Under-Secretaries-General	160 - 173	43
V.	CONDITIONS OF SERVICE OF THE GENERAL SERVICE AND RELATED CATEGORIES	174 - 184	49
	A. Survey of best prevailing conditions of service at Geneva	174	49
	B. Survey of best prevailing conditions of service at Vienna	175	49
	C. Review of the methodologies of the surveys of best prevailing conditions of employment at headquarters and non-headquarters duty stations	176 - 184	50
VI.	CONDITIONS OF SERVICF APPLICABLE TO BOTH CATEGORIES	185 - 186	53
	Methodology to determine the level of the education grant	185 - 186	53

CONTENTS (continued)

Chapter			Paragraphs	Page
VII.	ACTION TAKEN BY THE COMMISSION UNDER ARTICLE 17 OF ITS STATUTE		187 - 190	54
	Implementation of the decisions and recommendations of the Commission		187 - 190	54
	Annexes			
I.	GENERAL SERVICE STAFF ASSESSMENT			56
II.	A.	COMPARISON OF AVERAGE NET REMUNERATION OF UNITED NATIONS OFFICIALS IN NEW YORK AND UNITED STATES OFFICIALS IN WASHINGTON, D.C. BY EQUIVALENT GRADES		57
	B.	POST ADJUSTMENT MULTIPLIER PROJECTIONS AND CONSEQUENT MARGINS		58
III.	UNITED STATES FEDERAL EMPLOYEES PAY COMPARABILITY ACT OF 1990			59
IV.	A.	PROPOSED BASE/FLOOR SALARY SCALE FOR THE PROFESSIONAL AND HIGHER CATEGORIES. ANNUAL GROSS SALARIES AND NET EQUIVALENTS AFTER APPLICATION OF STAFF ASSESSMENT		60
	B.	STAFF ASSESSMENT RATES USED IN CONJUNCTION WITH GROSS BASE SALARIES AND THE GROSS AMOUNTS OF SEPARATION PAYMENTS FOR STAFF MEMBERS WITH NEITHER A DEPENDENT SPOUSE NOR A DEPENDENT CHILD		61
V.	METHODOLOGY FOR IDENTIFICATION OF THE HIGHEST-PAID NATIONAL CIVIL SERVICE			62
VI.	UNITED STATES HOUSING BENEFIT PAID BY THE COMPARATOR TO OFFICIALS OF THE UNITED STATES MISSION TO THE UNITED NATIONS VIS-A-VIS THE REVISED ASSISTANT SECRETARY-GENERAL, UNDER-SECRETARY-GENERAL HOUSING SUBSIDY PROPOSALS			64
VII.	A.	RECOMMENDED NET SALARY SCALE FOR STAFF IN THE GENERAL SERVICE AND RELATED CATEGORIES AT GENEVA		67
	B.	RECOMMENDED NET SALARY SCALE FOR LANGUAGE TEACHING STAFF OF THE UNITED NAITONS AT GENEVA		68
VIII.	A.	RECOMMENDED NET SALARY SCALE FOR STAFF IN THE GENERAL SERVICE AND MANUAL WORKERS CATEGORIES AT VIENNA		69
	B.	RECOMMENDED SALARY SCALE FOR LANGUAGE TEACHING STAFF AT VIENNA		70

CONTENTS (continued)

Volume II

Chapter

REVIEW OF THE FUNCTIONING OF THE INTERNATIONAL CIVIL SERVICE COMMISSION

I. EXECUTIVE SUMMARY

II. BACKGROUND

III. VIEWS OF THE COMMISSION ON THE DOCUMENT OF THE ADMINISTRATIVE COMMITTEE ON COORDINATION

ABBREVIATIONS

ACC	Advisory Committee on Coordination
ACPAQ	Advisory Committee on Post Adjustment Questions
CCAQ	Consultative Committee on Administrative Questions
CCISUA	Coordinating Committee for Independent Staff Unions and Associations of the United Nations System
FAO	Food and Agriculture Organization of the United Nations
FICSA	Federation of International Civil Servants' Associations
GATT	General Agreement on Tariffs and Trade
IAEA	International Atomic Energy Agency
ICAO	International Civil Aviation Organization
ICSC	International Civil Service Commission
IFAD	International Fund for Agricultural Development
ILO	International Labour Organisation
IMO	International Maritime Organization
IRS	United States Internal Revenue Service
ITU	International Telecommunication Union
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNHCR	Office of the United Nations High Commissioner for Refugees
UNIDO	United Nations Industrial Development Organization
UNJSPB	United Nations Joint Staff Pension Board
UNJSPF	United Nations Joint Staff Pension Fund
UPU	Universal Postal Union
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization

GLOSSARY OF TECHNICAL TERMS

Base/floor salary scale	For the Professional and higher categories of staff, a universally applicable salary scale is used in conjunction with the post adjustment system. The minimum net amounts received by staff members around the world equal those shown in this scale, called the base/floor salary scale.
Comparator	Salaries and other conditions of employment of staff from the Professional and higher categories are determined in accordance with the Noblemaire principle by reference to those applicable in the civil service of the country with the highest-paid levels. The United States federal civil service has been used as the comparator since the inception of the United Nations.
Grade equivalencies	A comparison of United Nations system grades P-1 to D-2 with the corresponding grades in the comparator civil service is carried out by the Commission once every five years. The results of these comparisons provide an indication of the comparator grade(s) which are equivalent in terms of job content to a particular United Nations grade.
General Schedule	In the comparator civil service (United States federal civil service), a large majority of staff members are covered under an 18-grade salary scale known as the General Schedule.
Headquarters locations	Headquarters of the organizations participating in the United Nations common system are: Geneva, London, Montreal, New York, Paris, Rome and Vienna.
Housing comparisons	In the context of the post adjustment system, comparisons of average housing costs in New York (the base of the post adjustment system) and other duty stations are carried out. In carrying out these comparisons, due regard is paid to the type and size of dwellings in the two duty stations.
Income replacement ratio	The ratio of pension to average salary received during the same three-year period used in the determination of the pension benefit.

Income replacement criteria	The basis used for determining pensionable remuneration amounts for the Professional and higher categories of staff. The portion of the income while in service to be replaced as net pension at the end of the fixed length of service (25 years in this case) is calculated as the first step. The amount of pensionable remuneration, bearing in mind the tax element, which would produce this net pension, is then determined.
Job classification system	The Commission has promulgated job classification standards to classify posts in various grades according to job content. A universal master job classification standard applies to all posts in the Professional and higher categories.
Pensionable remuneration	This is the amount which is used as the basis for effecting contributions from the staff member and the organization to UNJSPF. Pensionable remuneration amounts are also used for the determination of pension benefits of staff members upon retirement.
Place-to-place survey	Place-to-place surveys provide benchmark information for the calculation of post adjustment indices in all duty stations. A weighted average of relative price levels of selected items is obtained from these comparisons after taking into account the expenditure pattern of international staff.
Rental subsidy scheme	Rental subsidy scheme applies primarily to staff from the Professional and higher categories. Rental subsidy is paid to a staff member whose rent exceeds the average rent calculated in accordance with the established criteria.
Senior Executive Service (SES)	Officials of the comparator civil service in senior managerial positions are covered under a salary scale known as the Senior Executive Service schedule.
Simulate	A simulation model is a logical/mathematical representation of a concept or a system. It is a method of analysing a system by experimentally duplicating its behaviour. In general the model is programmed to operate on a computer and is run in parallel with an operational system.

Special post allowance (SPA)	A staff member who is called upon to assume the full duties and responsibilities of a post at a clearly recognizable higher level than his/her own post for a temporary period may, in exceptional cases, be granted a special post allowance. The amount of the special post allowance is generally equivalent to the salary increase which the staff member would have received had he/she been promoted to the higher level post.
Time-to-time surveys	Surveys based on a comparison of prices at two different time periods in the same duty station. The results of these surveys are used to update post adjustment indices over time, in the same way consumer price indices are used in countries where such indices are available and considered appropriate to adjust salaries of international staff.

LETTER OF TRANSMITTAL

September 1991

Sir,

I have the honour to transmit herewith the seventeenth annual report of the International Civil Service Commission, prepared in accordance with article 17 of its statute. It includes information on the implementation of its recommendations and decisions by organizations of the United Nations common system.

I should be grateful if you would submit this report to the General Assembly and, as provided in article 17 of the statute, also transmit it to the governing organs of the other organizations participating in the work of the Commission, through their executive heads, and to staff representatives.

I avail myself of this opportunity to renew to you, Sir, the assurances of my highest consideration.

(Signed) M. BEL HADJ AMOR
Chairman

His Excellency
Mr. Javier Pérez de Cuéllar
Secretary-General of the United Nations
New York

SUMMARY OF RECOMENDATIONS THAT CALL FOR DECISIONS
BY THE GENERAL ASSEMBLY AND THE LEGISLATIVE ORGANS
OF THE OTHER PARTICIPATING ORGANIZATIONS

Volume I

Paragraph reference

Methodology for the determination of pensionable remuneration for ungraded officials

71 The Commission decided to recommend to the General Assembly and the governing bodies of the other organizations participating in UNJSPF that in the event the governing body of a member organization decides that its elected officials should not be participants in UNJSPF, then it would be for that governing body to determine the alternative pension arrangements for the officials involved. In the case of officials appointed or elected to ungraded posts, who become participants in UNJSPF, their pensionable remuneration should be determined in accordance with the methodology analogous to that used for the Assistant Secretaries-General and Under-Secretaries-General, with the modifications considered in the present report. The decisions taken by each governing body on the pensionable remuneration of its ungraded officials should be communicated to ICSC and the Board. The pensionable remuneration of such officials should be adjusted between comprehensive reviews in accordance with the procedure used in the case of staff from the Professional and higher categories, as set out in article 54 (b) of the Regulations of the Pension Fund. It should be left to the governing bodies to decide whether and how the above-mentioned procedures should apply to elected officials who are currently participants in the Fund, taking into account the need to protect their acquired rights.

Comprehensive review of pensionable remuneration for the General Service and related categories of staff

90 The Commission decided to request the General Assembly to endorse the phased approach, as outlined in the present document, to the completion of the comprehensive review of pensionable remuneration and consequent pensions of the General Service and related categories of staff. In the meantime, it requests the Assembly to approve the revised scale of staff assessment in annex I for implementation from 1 January 1992 for the above-mentioned categories of staff. It further requests the General Assembly to approve the budgetary allocation of $80,000 for consultancy fees required to carry out studies pertaining to practices of local employers in selected locations concerning pension arrangements.

Paragraph reference

Conditions of service of the Professional and higher categories

Remuneration of the Professional and higher categories: Evolution of the margin between the net remuneration of the United States federal civil service and that of the United Nations system

116 The Commission decided to recommend to the General Assembly to rescind its earlier decision requiring the Commission to manage the margin over a five-year period so that the average margin would be around the mid-point of the range. It further requests the Assembly to endorse the procedure outlined in the present report for the management of the post adjustment system within the current margin range as a transitional measure until 1994.

Base/floor salary scale

125 The Commission decided to recommend to the General Assembly that the current base/floor salary scale should be increased by 8.6 per cent. In this con t it recommends to the Assembly the resulting salary scale and associated staff assessment scale for use in conjunction with gross base salaries for staff members without primary dependents.

Identification of the highest paid national civil service

159 The Commission decided to recommend to the General Assembly the methodology outlined in the present report for conducting checks every five years to determine the highest-paid national civil service in the context of the application of the Noblemaire principle to determine salaries and other conditions of employment of the Professional and higher categories of staff.

Comprehensive review of conditions of service of Assistant Secretaries-General and Under-Secretaries-General

173 The Commission decided to recommend approximate grade equivalents between Assistant Secretaries-General and Under-Secretaries-General and equivalent level officials in the comparator civil service. It also decided to recommend that an increase in the net remuneration levels for the above-mentioned officials in the range of 7 to 11 per cent could be considered. The Commission reiterates its earlier recommendation concerning revised housing arrangements for these officials.

Volume II

The Commission's recommendations regarding various aspects of its functioning may be found in volume II of the present report.

SUMMARY OF FINANCIAL IMPLICATIONS OF THE COMMISSION'S RECOMMENDATIONS AND DECISIONS FOR THE UNITED NATIONS AND PARTICIPATING ORGANIZATIONS

Paragraph reference	
	A. Financial implications of the Commission's recommendations to the General Assembly
	Comprehensive review of pensionable remuneration for the General Service and related categories of staff
90 (c)	As part of its phased approach to the completion of the comprehensive review of pensionable remuneration and consequent pensions of the General Service and related categories of staff, the Commission was of the view that the secretariats of ICSC and UNJSPB should undertake a study of the local practices as regards pensions. These studies would be conducted at a selected group of duty stations. The data collected on local pension schemes would be analysed with the help of actuaries. Actuarial consultancy fees required to carry out the study were estimated at $80,000.
	Base/floor salary scale
127	The Commission recommends that the current base/floor salary scale for the Professional and higher categories of staff be increased by 8.6 per cent and the revised scale be implemented effective 1 March 1992. The financial implications associated with this recommendation were estimated at $5.88 million in 1992 for all organizations and all sources of funds.
	B. Financial implications of the Commission's recommendations to the executive heads of the organizations of the United Nations common system
	Survey of best prevailing conditions of service at Geneva
174	The financial implications of the Commission's recommendation concerning the salary scale for the General Service and related categories in Geneva were estimated at SwF 24 million per annum. The financial implications of the Commission's recommendations concerning the salary scale for language teaching staff were estimated at SwF 70,000 per annum. The total financial implications of the recommendations concerning the two scales were estimated at $19 million per annum, for all organizations and all sources of funds, at the exchange rate of SwF 1.27 to the United States dollar in effect on 1 January 1991.

Paragraph reference

Survey of best prevailing conditions of service at Vienna

175 The net financial implications of the Commission's recommendations arising from the survey of best prevailing conditions of service for the General Service and related categories and language teaching staff at Vienna were estimated at $400,000 per annum in the short term owing to increases in dependency allowances and the net salary increases at the lower grade levels. However, as the recommended salary scales for the General Service and language teaching staff are lower than the current scales, on an overall basis, by 2.05 and 6.7 per cent, respectively, savings estimated at $1.1 million per annum would accrue in the long run.

CHAPTER I

ORGANIZATIONAL MATTERS

A. Acceptance of the statute

1. Article 1 of the statute of the International Civil Service Commission (ICSC), approved by the General Assembly in its resolution 3357 (XXIX) of 18 December 1974, provides that:

> "The Commission shall perform its functions in respect of the United Nations and of those specialized agencies and other international organizations which participate in the United Nations common system and which accept the present statute ...".

2. To date 12 organizations have accepted the statute of the Commission, which, together with the United Nations itself, participated in the United Nations common system of salaries and allowances. 1/ Two other organizations, although not having formally accepted the statute, have participated fully in the Commission's work. 2/

B. Membership

3. The General Assembly, at its forty-fifth session, appointed three new members and reappointed three former members of the Commission to terms of office commencing 1 January 1991 (decision 45/324 of 21 December 1990).

4. Mr. Vladislav Petrovich Terekhov (Union of Soviet Socialist Republics) submitted his resignation from the Commission, which, in accordance with article 5 of the Commission's statute, would take effect in December 1990. The General Assembly recommended the appointment of Mr. Anatoly Matveyevich Dryukov (Union of Soviet Socialist Republics) to fill the unexpired term of Mr. Terekhov, until 31 December 1992.

5. The General Assembly designated Mr. Mohsen Bel Hadj Amor as Chairman of the Commission, and Mr. Carlos S. Vegega as Vice-Chairman of the Commission, each for a four-year term of office beginning 1 January 1991.

6. The membership of the Commission for 1991 is as follows:

Mr. Mohsen Bel Hadj Amor (Tunisia),*** Chairman
Mr. Amjad Ali (Pakistan)*
Mr. Michel Jean Bardoux (France)**
Mrs. Claudia Cooley (United States of America)**
Mrs. Turkia Daddah (Mauritania)***
Mr. Anatoly Matveyevich Dryukcv (Union of Soviet Socialist Republics)*
Mrs. Francesca Yetunde Emanuel (Nigeria)*
Mr. Antônio Fonseca Pimentel (Brazil)**
Mr. André Xavier Pirson (Belgium)***
Mr. Jaroslav Ríha (Czechoslovakia)***
Mr. Omar Sirry (Egypt)*

Mr. Alexis Stephanou (Greece)**
Mr. Ku Tashiro (Japan)**
Mr. Carlos S. Vegega (Argentina),*** Vice-Chairman
Mr. M. A. Vellodi (India)*

---

* Term of office expires on 31 December 1992.
** Term of office expires on 31 December 1993.
*** Term of office expires on 31 December 1994.

C. Sessions held by the Commission and questions examined

7. The Commission held two sessions in 1991: the thirty-third, which took place from 11 to 29 March at UNESCO headquarters in Paris, and the thirty-fourth, which took place from 5 to 23 August at United Nations Headquarters in New York.

8. At its thirty-third and thirty-fourth sessions, the Commission examined issues that derived from decisions and resolutions of the General Assembly as well as from its own statute. A number of decisions and resolutions adopted by the Assembly that required action or consideration by the Commission are reported on in the present document.

D. Subsidiary body

9. The Advisory Committee on Post Adjustment Questions (ACPAQ), established by the Commission in 1976, held its sixteenth session at United Nations Headquarters in New York from 6 to 10 May 1991. It consisted of the following members: Mr. Carlos S. Vegega (Argentina), Vice-Chairman of the Commission and Chairman of the Committee; Mr. Jeremiah Banda (Zambia); 3/ Mr. Isaac Kerstenetzky (Brazil); Mr. Yuki Miura (Japan); Mr. Hugues Picard (France); and Mr. Andrei F. Revenko (Union of Soviet Socialist Republics).

CHAPTER II

ACTION TAKEN IN RELATION TO RESOLUTIONS AND DECISIONS OF THE GENERAL ASSEMBLY AT ITS FORTY-FIFTH SESSION

A. Review of the functioning of the International Civil Service Commission

10. The details of the Commission's consideration of this matter may be found in volume II of the present report.

B. Action taken in relation to other requests from the General Assembly

11. The General Assembly, in its resolution 45/241 of 21 December 1990, requested the Commission to carry out a number of studies and to report thereon to the Assembly at its forty-sixth session. Some of those studies have been completed by the Commission and are reported in the present document. The Commission had not found it possible, however, to undertake or complete certain others during the current year for various reasons, as discussed below.

12. The General Assembly, in its resolution 45/241, section III, requested the Commission to continue to take measures to improve the measurement of the housing element in the remuneration package. In that regard, the Commission was of the view that the changes approved by it for the measurement of the housing element were being gradually introduced by the ICSC secretariat. Further improvements could only be introduced after the system was allowed to operate for a while and the Commission had had an opportunity to review the effects of the changes introduced as part of the comprehensive review.

13. In the same section of resolution 45/241, under paragraph 4, the Commission was requested to establish a pilot project designed to simulate the operation of the proposals of the Commission in a limited number of duty stations in the field where valid housing comparisons were difficult or impossible. It was understood that housing would remain within the post adjustment system in the meantime. The Commission was requested to report on the experience gained with that project to the General Assembly at its forty-sixth session. It may be noted that the pilot project must operate for about a year before the Commission could be in a position to submit a report to the Assembly. The modalities for the pilot system are being finalized in consultation with the representatives of organizations and of staff. The system, which is to run in parallel with the current system, would be started in the very near future and a report based on its operation would be considered by the Commission at its summer 1992 session.

14. The General Assembly further requested the Commission to examine experience gained with the functioning of the current rental subsidy scheme for headquarters duty stations. It also requested the Commission to review its proposals for a revised rental subsidy scheme in its annual report for 1990. That review was to take into account views expressed by Member States

in the Fifth Committee on the need to improve the rental subsidy scheme, without losing sight of the purpose of the scheme of facilitating the resettlement of new staff members and of encouraging mobility within the common system. The findings of the Commission on the above-mentioned issues were to be submitted to the Assembly at its forty-sixth session. In the same resolution, the Assembly decided to introduce, with effect from 1 January 1991, a revision to the current rental subsidy scheme at headquarters locations. The changes introduced by the Assembly would result in a significant impact on the total emoluments of staff members benefiting from the headquarters rental subsidy scheme. It would therefore seem preferable that the report to the Assembly should also take into account the impact of the revisions introduced by the Assembly. In order for the Commission to be in a position to examine the experience gained with the functioning of the revised scheme, with the changes approved by the General Assembly, the scheme should be allowed to operate for at least one year.

15. The General Assembly, by its resolution 44/198 of 21 December 1989, had requested the Commission to collect the necessary information on the practices of the organizations regarding the granting of expatriate entitlements to staff members living in their home countries while stationed at duty stations located in another country. The Assembly had also requested the Commission to reconsider the methodology for the determination of dependency allowances in the light of the tax practices of the comparator. The Assembly had requested a report on those issues in 1990. In its annual report for 1990, the Commission had submitted its preliminary findings as regards the two issues and informed the Assembly that it would be submitting a further report thereon to the Assembly at its forty-sixth session, in 1991. The Assembly, by its resolution 45/241, urged the Commission to complete its review of the two issues and to report thereon to the Assembly at its forty-sixth session. Bearing in mind, however, that there were a number of other priority issues on its heavy agenda which had to be considered during the current year, the Commission decided to report on those issues at a later date.

C. General Assembly resolution 45/268: United Nations common system and United Nations pension system

16. The General Assembly, at its forty-fifth session, on 21 June 1991, decided to reopen its consideration of agenda items 127 and 128 dealing with the United Nations common system and the United Nations pension system, respectively. The Assembly allocated the items to the Fifth Committee for its consideration and the latter considered the decision of the International Labour Conference at its seventy-eighth session to proceed with its proposal to establish a Voluntary Thrift Benefit Fund. The Fifth Committee also considered the decision of the Administrative Council of the International Telecommunication Union (ITU) to implement unilaterally a pension purchasing power protection insurance plan (PPPPIP) as well as the decision of the Secretary-General of ITU to grant a special post allowance to headquarters staff at the Professional and Director levels.

17. In its resolution 45/268 of 29 July 1991, the General Assembly expressed concern about the potential impact on the United Nations common system and the United Nations pension system of the above-mentioned decisions of ILO and ITU

and requested the Commission and the Pension Board to examine the basis for the decisions taken by those organizations and their implications for the common system, within the context of their respective relevant work programmes and to report thereon to the Assembly at its forty-sixth session. The Assembly reiterated its request to the Commission and the Board to place the highest priority on ensuring that the reports requested in its resolution 45/241 on the common system and in its resolution 45/242 of 21 December 1990 on the pension system were available for full consideration by the Assembly at its forty-sixth session.

18. The Commission had already addressed the issue of the ILO Thrift Benefit Fund at its March 1991 session. As regards the ITU decision on PPPPIP, the Commission noted that the Pension Board had dealt with the matter under its mandate. The Commission addressed the issue of special post allowance (SPA) for ITU staff at its August session.

1. Voluntary Thrift Benefit Fund for officials of the International Labour Organisation

19. As stated above, the Commission's substantive consideration of the matter took place at its March 1991 session. The details are provided in paragraphs 20 to 31, below.

Views of the representative of the International Labour Organisation

20. The representative of ILO emphasized that, in instituting the savings plan system, the intention of the Governing Body of ILO had not been to create a new condition of service for its staff in contradiction with the common system but, quite to the contrary, to come back more fully into line with the common system in respect of one of its fundamental elements, pensions. He added that ILO, under the interpretation given by the ILO Administrative Tribunal of one of the provisions of its staff regulations (article 3.1.1.), currently had an autonomous responsibility as regards the definition of pensionable remuneration and was accountable for any change in that definition before the ILO Tribunal. This had resulted recently in the payment of very substantial complementary pension payments to more than 300 retired ILO staff as a consequence of a temporary divergence between the United Nations pensionable remuneration scale and the ILO scale. It could result in even more serious consequences in the future, and the ILO Governing Body thus considered that the ILO autonomy, as regards the definition of pensionable remuneration, should be relinquished. For political and legal reasons, however, ILO could not do away with what had been considered by their staff as an important element of their conditions of service without some compensatory measure, which would make it more difficult to challenge the amendment to staff regulations before the Tribunal.

21. The only element that could have a certain incidence on the common system was the endowment of up to $4,875,000, which had to be confirmed by the International Labour Conference. However, it had to be understood in that respect that the (limited) advantages deriving from this endowment for serving officials was compensation for the loss of the potentially substantial advantage they could derive from the current definition of pensionable remuneration in its staff regulations, as interpreted by the ILO Tribunal.

The possible objections in respect of this endowment might thus be overcome if it were made clear in the finalization of the rules of the savings plan by the Management Committee that the endowment should be used exclusively to improve the conditions offered to officials in service at the time of the amendment to article 3.1.1., and the Commission would certainly be welcome to give its views in this respect.

22. In conclusion, the ILO representative emphasized that ILO and ICSC had common interests with respect to the savings plan. They both had an interest in abolishing the anomalous situation in which ILO had found itself and they had an interest that the anomaly should be removed without incurring any judicial risk. In that respect, the final success of the savings plan constituted a vital element without which ILO might be condemned irreversibly to return to its previous anomaly.

Discussion by the Commission

23. In response to a question raised by a member of the Commission as to whether the decision of the ILO Governing Body was final or required confirmation by the General Conference, the representative of ILO stated that the General Conference would have to approve the funds for the scheme. A view was expressed that the establishment of the Voluntary Thrift Benefit Fund, with contributions from member States, would result in the payment of an indemnity associated with the change in the ILO staff regulations. This, in turn, would result in increasing the retirement benefit for ILO staff, thus placing ILO in an advantageous position vis-à-vis other organizations of the common system.

24. The Commission noted that, in response to a recommendation from the Pension Board, all organizations, with the exception of ILO, had adapted their staff regulations whereby the definition of pensionable remuneration for all categories of staff was embodied in the regulations of the Fund under article 54 and a cross-reference to that article of the Fund was provided in the regulations of the individual organizations. ILO, however, did not follow this route and maintained the definition of pensionable remuneration for all categories of staff under article 3.1.1. of its regulations. The Commission was therefore of the view that the difficulties currently faced by ILO were a direct consequence of the above-mentioned decision taken by the ILO administration in 1980.

25. While noting the special circumstances in which ILO found itself, some members expressed concern that the ILO administration had not seized the Commission of this matter earlier. It was of the view that the ILO administration should have approached the Commission with the full details of the problem faced and the solution proposed before a final decision on the matter was taken by the Governing Body. It was also noted that the representatives of ILO who had participated in the work of the Commission beginning on 8 March 1991 had not informed the Commission of a decision taken by the Governing Body on 4 March 1991. The Commission learned of the decision of the ILO Governing Body when the letter dated 4 March from the Director-General of ILO to the Chairman of the Commission was received in New York on 22 March, when the Commission was in session at UNESCO headquarters in Paris.

26. The Chairman of the Commission informed members that, although the letter from the Director-General of ILO informing him of the decision of the Governing Body had been received only recently, the Director-General had been in touch with the Chairman concerning the matter in February. At the time, the Chairman had informed the ILO administration that, under the statutory provisions, he was not in a position to take any decision or submit the views of ICSC on the then proposed Voluntary Thrift Benefit Fund. Such views could only be formulated by the Commission as a whole and the Chairman had therefore suggested to the Director-General of ILO that the latter might wish to place the matter on the agenda of the current session. However, there was no request from ILO to include the matter on the agenda of the thirty-third session. Consequently, the issue arose very late during the Commission's session, when the 4 March letter from the ILO Director-General was received.

27. A view was expressed that the legislative organs of the organizations were sovereign authorities and thus had the right to change staff regulations of the organizations. This was the first time that an organization had been placed in a position to pay compensation for the amendment of a staff regulation.

28. The Commission noted that the ILO Governing Body was faced with a delicate problem. It was further noted that the issue was an object of difficult discussions. The Commission was nevertheless of the view that it would have preferred if the ILO administration had approached the Commission prior to the decision by the Governing Body. However, as the Commission was currently faced with a decision already taken and inasmuch as it had had no part in the final decision, it could not comment on the substantive elements of the scheme. However, the Commission was of the view that, since the Voluntary Savings Plan was being established in the context of the change in article 3.1.1. dealing with the definition of the pensionable remuneration and the impact of this change on staff, there was no justification to extend the benefit arising from the Savings Plan to staff members joining ILO after the date on which the change had been effected, that is, 27 February 1991. Some members of the Commission felt that the Fund should have a time-limit and that the time-limit should be as short as possible. As regards the contribution to the Savings Plan by the Member States, it was noted that the payment of $4,875,000 was intended to be a one-time endowment.

29. The Commission was of the view that the decision by the ILO Governing Body should not be used as a precedent either by ILO or by other organizations to set up similar schemes.

30. The Commission was of the view that its comments and conclusions should not be interpreted as an approval of the decision of the ILO Governing Body concerning the establishment of the Voluntary Thrift Benefit Fund. In that regard, it was recalled that the Commission was established for the regulation and coordination of the conditions of service of the United Nations common system. It was implicit in that mandate that the Commission ensured that equitable conditions of service be applied to staff from all organizations.

Conclusions of the Commission

31. The Commission concluded that:

(a) The ILO administration had found itself in a delicate situation vis-à-vis the amendment of staff regulation 3.1.1. Further, the ILO administration was endeavouring to follow the common system as regards the definition of the pensionable remuneration. The decision by the Governing Body of ILO concerning the establishment of the Voluntary Thrift Benefit Fund was the result of difficult negotiations among all parties concerned;

(b) It was faced with a decision by the ILO Governing Body which had been taken without prior consultations with ICSC;

(c) It would take note of the decision of the ILO Governing Body and express concern at the decision;

(d) It would note that the scheme was a part of an overall package designed to remove definitively a serious contradiction in staff regulations specific to ILO and that as such the ILO decision should not be invoked as a precedent by other organizations or even by ILO itself;

(e) The decision by the ILO Governing Body should only concern staff members who were affected by the change in staff regulation 3.1.1., effective 27 February 1991;

(f) It would take note that a one-time endowment of $4,875,000 to the ILO Savings Plan was to be made by the Member States.

32. At its August session, the Commission was informed by the representative of ILO that, at its seventy-eighth session in June 1991, the International Labour Conference had adopted a resolution authorizing the financing of the Voluntary Thrift Benefit Fund. The Commission was also informed that the ILO staff regulation concerning the definition of the pensionable remuneration had been amended. The statute of the Fund and the regulations had been adopted recently by ILO and submitted to the Commission.

2. Action by the International Telecommunication Union concerning the granting of special post allowance

Views of ITU

33. The representative of ITU informed the Commission that a High-Level Committee composed of representatives of 21 member States of ITU had been established following a decision of the ITU Plenipotentiary Conference (Nice, 1989) to consider basic changes in the functioning of ITU. The ITU Administrative Council was informed that staff in the Professional and higher categories would be involved in the implementation of the recommendations of that Committee and that a special post allowance (SPA) was proposed to be given to the members of staff in those categories who would effectively contribute to the said implementation as a recognition of the additional work accomplished. The legal basis for the granting of SPAs was provided by the

administration under article 3.8 (b) of the ITU staff regulations. The ITU Secretary-General had written to all staff members informing them of his decision to entrust to them additional tasks of a temporary nature in the context of the implementation of the High-Level Committee's recommendation. This additional work was not intended to detract staff members from the accomplishment of their normal duties.

34. The ITU representative added that the SPA would be payable only to staff who in fact accomplished the tasks assigned to them. No payment had been made to date and only in December 1991 would supervisors report as to the work performed by each of their subordinates and the decision as to who would receive the SPA would be made at that time. The exact number of the staff members who would receive the SPA was currently not known. In response to a question by a member of the Commission, the representative of ITU stated that the ITU decision on SPAs was not incompatible with the common system. He added that in his view "common system" did not mean "an identical system".

35. The ITU representative explained that, under article 3.8 of the staff regulations, two types of SPAs could be granted. The first would apply under article 3.8 (a) when a post became vacant for which a candidate would be chosen for a given period of time. The proposed SPAs would be granted under the provisions of article 3.8 (b) which applied when additional responsibilities were temporarily given to staff members as a result of which they were rewarded with SPAs at the higher level. He added that SPAs had been granted under that provision in the past.

Views of the organizations

36. In response to questions by several members of the Commission about the reaction of the organizations as a whole to the measures taken in the ILO and ITU, the Chairman of CCAQ responded that it was not for the Committee to take a position on specific measures adopted by individual agencies. At one level, however, the recent actions by ILO and ITU could be considered symptomatic of a general malaise resulting from the constant deterioration of salaries and other conditions of employment of staff of the common system. The organizations believed, however, that rather than focusing on ad hoc solutions adopted by individual agencies, it was more relevant to take a look at the overall functioning of the common system in the 1990s. CCAQ itself, at its recent session, had held a free-ranging discussion on the nature and objectives of the common system, one general conclusion of which had been that the common system needed to react to changing times in a more flexible and dynamic manner.

Discussion by the Commission

37. The Commission noted that the issue arising out of the decision of the ITU Administrative Council concerning PPPPIP had been addressed by the Pension Board at its July 1991 session as part of its consideration of the pension adjustment system.

38. Responding to the General Assembly request to examine the basis for the decision taken by ITU regarding SPAs, the Commission reviewed article 3.8 of the ITU Staff Regulations and Rules on this matter. Most members were of the view that the provisions of article 3.8 of the ITU regulations were clearly

not intended to cover the totality or even a majority of the ITU staff in terms of the granting of SPAs. The article was intended to cover, at best, a very limited number of staff members. That was particularly so as the regulation invoked by the Secretary-General of ITU, that is, article 3.8 (b), reflected an exception to the general principle, referred to in paragraph (a), and did not constitute the principle itself. Those members were of the firm opinion that such exceptions were intended to be used sparingly to retain and safeguard their particularity. Added to the above, article 3.8 (a) was clear in its reference to an "existing" post of higher grade the responsibility of which could temporarily be assumed by a staff member. Grades involved in the ITU decision, however, related to positions already filled. In response to the assertion by the representative of ITU that individuals would receive the proposed allowance for performing higher level duties, several members questioned how implementation of the High-Level Committee's report could possibly require the performance of higher level duties by all, most, or even a significant portion of staff at all levels. Questions were also raised as regards the appropriateness of assigning the same additional responsibilities to two staff members at different levels and granting SPAs to both. It was pointed out that the SPA to ITU staff appeared to be some sort of a performance based cash award. Ironically, one of the recommendations in the consultant's report was for ITU to experiment with the use of non-monetary awards for productivity and other performance improvements.

39. A view was expressed that the decision regarding the payment of SPAs by the Secretary-General of ITU was taken following the rejection by the Administrative Council of the proposal to pay an extra month's salary to all Professional staff of the Union. In that regard, the Commission was informed by the representative of ITU that the proposal for the payment of an extra month's salary was never submitted by the ITU Secretary-General to the Administrative Council. As to the effects of the decision of ITU concerning the granting of SPAs, most members of the Commission were of the view that the allowance would be granted to a significant number of staff members and that, in effect, it amounted to an across-the-board increase decided upon by the agency. ITU staff would therefore be in a more advantageous situation than those working for other organizations of the common system.

40. One member of the Commission pointed out that SPAs would not be granted to all staff in the Professional and higher categories at ITU. He recalled that several Professional staff members had been seconded to service the 1965 Plenipotentiary Conference of ITU. All those staff members had been granted special conditions for the duration of the Conference and even for specific work which had taken place after the Conference. Another member noted that according to the representative of ITU, SPAs to be granted to ITU staff were of a temporary nature and would not be granted to all staff.

41. The Commission then proceeded to discuss the view of the Secretary-General of ITU to the effect that the common system did not require identical application of all common system procedures by each and every organization but that it allowed for flexibility for exceptional measures to be taken in order to solve specific problems of an organization. In that respect, it noted the reference to the Salary Review Committee Report (1956) contained in General Assembly document A/3209. The view of the Salary Review Committee contained in document A/3209 was used by ITU as the basis for the

interpretation of the norms of the common system. In the course of the discussions, however, it appeared that the Salary Review Committee Report had never been adopted by the General Assembly and that it had predated the establishment of ICSC by the General Assembly in 1974 by 18 years. Furthermore, the findings of the Salary Review Committee had been superseded by the Special Committee for the Review of the United Nations Salary System, established in 1972.

42. A general view prevailed that the ITU staff regulations and rules were used for a purpose which they were never intended to serve. In the process the Union had departed knowingly and intentionally from the common system. That had been achieved by a highly subjective interpretation given to the way the common system worked and what it implied. Those interpretations were based on totally outdated and irrelevant material.

43. Several members noted that in view of the diversity of their work programmes, organizations were facing specific problems which had to be addressed through ad hoc solutions. They were of the view that many of the specialized agencies were facing serious difficulties with respect to recruitment and retention of qualified staff from certain highly technical occupational groups. A common system solution to those problems should be found by providing some flexibility within the current system. Unilateral action similar to that by ITU was not the solution to overcome such difficulties.

44. The Commission was of the view that the decision by ITU to grant SPAs to its staff from the Professional and higher categories was incompatible with the concept of the common system.

Decisions of the Commission

45. The Commission:

(a) Deeply regretted the unilateral action by ITU which was contrary to the norms of the common system;

(b) Expressed concern that the ITU decision had been reached without previous consultations with the Commission or its Chairman;

(c) Affirmed that the unilateral action by ITU did not constitute a precedent. It invited organizations to consult with the Commission in their quest for a solution to all their problems thereby ensuring that the norms of the common system were followed;

(d) Invited all organizations to cooperate fully with the Commission on all matters falling within the Commission's mandate under its statute.

CHAPTER III

PENSIONABLE REMUNERATION AND PENSION ENTITLEMENTS

A. Pensionable remuneration for the Professional and higher categories

1. Monitoring of pensionable remuneration

46. Under its standing mandate from the General Assembly as expressed in Assembly resolution 41/208 of 11 December 1986, the Commission continued to monitor the pensionable remuneration for staff in the Professional and higher categories of the United Nations and that of the United States federal civil service employees in comparable grades. The procedure outlined in annex IV to the Commission's sixteenth annual report 4/ and approved by the General Assembly in its resolution 45/242 of 21 December 1990 has been used for the calculation and reporting of the pensionable remuneration margin for the calendar year 1991. In accordance with the same resolution, income replacement ratios applicable over the three-year period ending 31 December of the margin year, that is, 1991, were calculated for the United States federal civil service and for the United Nations system.

Views of the organizations

47. The Chairman of CCAQ, while noting that the estimated pensionable remuneration margin for 1991 was 118.3, recalled CCAQ's view that a margin for pensionable remuneration was unnecessary in view of the direct linkage between net and pensionable remuneration amounts, through the income replacement principle. He also observed that the average income replacement ratio for United Nations staff was lower than that for United States federal civil servants. The representative of ITU stated that income replacement ratios were important for setting pensionable remuneration levels and that, as that ratio had been systematically lower for the United Nations system, recommendations to remedy the situation should be forthcoming from the Commission. It was not necessary to wait until the ratio for United States federal civil servants dropped to the level of that of the United Nations system.

Views of the staff representatives

48. The President of FICSA and the representative of CCISUA associated themselves with the position of CCAQ that a separate pensionable remuneration margin was unnecessary. They expressed concern over the lower income replacement ratio of the United Nations system in comparison with that of the United States federal civil service.

Discussion by the Commission

49. The Commission noted that the pensionable remuneration margin as well as the income replacement ratios for both services had been calculated in accordance with the methodology approved by the General Assembly as mentioned in paragraph 46 above.

Decisions of the Commission

50. The Commission decided to report to the General Assembly the estimated pensionable remuneration ratios of 118.3 and 130.3, with and without the cost-of-living differential, respectively, based on the average remuneration amounts applicable for the period 1 January to 31 December 1991. The Commission also decided to report to the Assembly that the average income replacement ratios based on the average pensionable remuneration amounts applicable over the period 1 January 1989 to 31 December 1991 and corresponding to 25 years of service were 55 and 57 for the United Nations and the comparator civil service, respectively.

2. Methodology for the determination of pensionable remuneration for ungraded officials

51. The General Assembly, in its resolution 45/242, section II, paragraph 2, requested the Commission, in cooperation with the United Nations Joint Staff Pension Board (UNJSPB), to review the methodology for the determination of the pensionable remuneration of ungraded officials, including the executive heads of the organizations that are participants in the United Nations Joint Staff Pension Fund (UNJSPF), and to submit recommendations thereon to the Assembly at its forty-sixth session. The Assembly also requested the Board to recommend consequential changes in the regulations of the Fund and invited the governing bodies and executive heads of the member organizations of the Fund to cooperate with the Commission and the Board.

52. In making those requests, the Assembly expressed the belief that a common system approach should be used to determine pensionable remuneration and pensions of all participants in UNJSPF, including ungraded officials. It also expressed concern at the divergent practices that had emerged since 1984 in the common system in respect of the pensionable remuneration of ungraded officials. In response to the above request, the Commission and the Board examined all aspects of the issue at their respective spring and summer sessions.

Views of the Pension Board

53. The Chairman of the Pension Board informed the Commission that there was general agreement in the Board as regards the situation of the elected ungraded officials who were excluded from participation in the Fund by explicit decisions of their respective governing bodies. Under such circumstances, the relevant governing body would make pension arrangements for such officials outside the Pension Fund. The Board concluded that it would not be appropriate for it to make recommendations on pension arrangements outside UNJSPF, but stated its belief that there should be some comparability in the pension arrangements made for such officials. The representatives of executive heads and some participants' representatives expressed the view that if changes were to be made in respect of elected officials, they should not apply to those who were currently Fund participants and their acquired rights should be fully protected, while others in the Board stated that they did not share this view.

54. Members representing the General Assembly on the Board concurred with the position taken by the Commission at its March 1991 session that the decision to include or exclude an elected official from the Fund should be the responsibility of the governing body concerned. In their view, if the elected official were to be a participant in the Fund then his/her pensionable remuneration should be defined in the Regulations of the Fund and established in accordance with the methodology recommended by the Commission as approved by the General Assembly. They also took the position that all regulations of the Fund, including the provision which placed a ceiling on pensions, should apply to those officials. Views in the Board differed on both the methodology for determining the pensionable remuneration and on the application of a ceiling on pensions of such officials.

55. The Chairman of the Board informed the Commission that as it was not possible for the Board to reach a consensus at that time on those issues, the Board decided to defer taking any definitive position until ICSC had recommended a methodology for the determination of the pensionable remuneration for ungraded officials who were participants in the Fund, including elected officials, and the governing bodies of the organizations had reacted thereto. The Board also decided to defer recommending any amendments to the Fund Regulations until the issues related to the pensionable remuneration of ungraded officials had been resolved.

56. The Chairman of the Board indicated that further information on the Board's consideration of this item would be provided to the General Assembly in the annual report of UNJSPB for 1991.

Views of the organizations

57. The Chairman of CCAQ supported the conclusions reached in the secretariats' document that the sovereign governing bodies of the organizations might, if they so wished, determine pension arrangements outside UNJSPF for ungraded officials. There could be comparability in such separate arrangements and the Commission could draw up guidelines to assist governing bodies in determining the parameters of such alternative arrangements; however, no new yardstick for such comparability was required, as the pension entitlements of the Secretary-General of the United Nations and the members of the International Court of Justice (ICJ) could be used as a point of reference. As regards the methodology for the determination of pensionable remuneration of ungraded officials, and in particular those who had been elected and were members of the Pension Fund, the organizations were of the view that the point of reference should be the top step of the D-2 level rather than D-2/IV, used by the Assembly in 1986. The organizations did not support the continued use of 10 per cent of the difference between the net remuneration amounts of the officials concerned and the pensionable remuneration for such ungraded officials. This 10 per cent deflating factor appeared to be arbitrary and had an adverse effect, albeit small, on the income replacement ratios for senior officials. The Chairman of CCAQ stated that the authority of the governing bodies in the final determination of appropriate levels of pensionable remuneration and its adjustment remained paramount. If the governing bodies wished to establish the level of pensionable remuneration on the basis of a methodology other than the one recommended by the Commission, then the level so determined by the governing body would be reported to the Pension Board and through the Board to the General Assembly.

58. The representatives of the United Nations Industrial Development Organization (UNIDO) and the International Fund for Agricultural Development (IFAD) brought to the attention of the Commission a paper they had submitted to the Pension Board concerning pension arrangements for elected ungraded officials who had statutory limits on their terms of office. They noted that the primus inter pares in the United Nations system, the Secretary-General, had his pension based on 50 per cent of the net base salary and post adjustment in accordance with General Assembly resolution 45/241. They also noted that the members of ICJ, who served a term of nine years, had a pension entitlement fixed at $50,000 per year. On the basis of those considerations, they suggested that the pension benefit of officials falling in the above-mentioned category should equal 50 per cent of their net remuneration at the time of their retirement.

59. The representative of the United Nations Educational, Scientific and Cultural Organization (UNESCO) did not find any justification for the UNIDO/IFAD suggestion that the pension scheme available to the Judges of ICJ could be followed. He pointed out that the duties and responsibilities of the Judges differed fundamentally from those of ungraded officials, especially the executive heads. He was of the view that the most appropriate point of comparison seemed to be the pension arrangements for the executive head of the United Nations, namely, the Secretary-General. He added that, apart from the executive heads of the common system organizations, there were other ungraded officials, such as Deputy Directors-General, who received appointments of a limited duration. In view of this, his organization was of the opinion that it would be just and equitable to apply also to the officials falling in that category the principles of any special pension arrangements which may be established for executive heads.

Views of the staff representatives

60. The President of FICSA stated that all United Nations staff members should be covered by UNJSPF and contribute in the same proportion as established within the Regulations of the Fund. He recalled the principle elucidated by the 1958 Expert Group on Pensionable Remuneration to the effect that the principle underlying any comprehensive retirement scheme was that it should be such as to guarantee to participants reaching the age of retirement a benefit on which they may support themselves under conditions not too markedly different from those enjoyed during their closing years of service. On the other hand, since pensions constituted a part of the compensation package and inasmuch as such packages for the executive heads were determined by the governing bodies of the respective organizations, the matter of their pensionable remuneration should properly be addressed by those governing bodies.

Discussion by the Commission

61. At the outset, the Commission addressed the issue of its competence in the area. It recalled that the previous year it had received a legal opinion from the Legal Counsel of the United Nations, on the basis of which it had concluded that it had neither a mandate from the General Assembly nor the statutory authority to deal with the issue of the pensionable remuneration for the officials falling into the above-mentioned category. In view of the

request from the General Assembly, however, the Commission concluded that it had the necessary mandate to ensure, in cooperation with the Pension Board, that uniform regulations applied to all participants in the Fund. The Commission noted that the fulfilment of its mandate from the General Assembly would not be inconsistent with the powers of the governing bodies to determine the conditions of employment of their elected officials. It was not the Commission's intention to infringe on the rights of those sovereign bodies but merely to do away with a legal lacuna currently existing in the Regulations of the Pension Fund, namely, the absence of the definition of pensionable remuneration for ungraded officials, and to do that on the basis of a common system approach.

62. The Commission noted that there was a very small group of participants in the Pension Fund falling in the above-mentioned category of ungraded officials. The Commission further noted that within the group of ungraded officials there were some that were appointed, while a small group consisted of those that were elected. Even within that small group the conditions varied, as some organizations placed a limit on the length of service of their elected officials while in other cases such limits did not exist.

63. The Commission was of the view that the governing bodies of the organizations should have the choice as to whether their elected officials should be in the Pension Fund or should have different arrangements. If the former was the choice, then their pensionable remuneration should be regulated by a common system approach. Moreover, all the regulations of the Fund should apply to them.

64. As regards the specific methodological approach to regulate pensionable remuneration, the Commission noted that in 1986 the General Assembly had used the following procedure to determine the pensionable remuneration of the Administrator of the United Nations Development Programme and the Director-General for Development and International Economic Cooperation:

(a) The net remuneration amounts in New York (net base salary plus post adjustment at the dependency rate) for a D-2, step IV official and for the two senior officials mentioned above were calculated;

(b) The percentage difference between the two net remuneration amounts was determined, and the pensionable remuneration of a D-2, step IV official was increased by 90 per cent of that difference to derive the pensionable remuneration for the two senior officials.

65. The Commission was of the view that the above methodology appeared to be sound and could be used to determine the pensionable remuneration of ungraded officials participating in the Pension Fund. However, two aspects of that methodology required further consideration.

66. It was noted that in the methodology used by the Assembly in 1986, D-2/IV was used as the point of reference. However, upon the recommendation of the Commission the General Assembly approved, effective 1 July 1990, a revised scale of salaries for the Professional and higher categories of staff which included, inter alia, two extra steps at the D-2 level. The revised scale, consequently, extends through D-2/VI. Bearing that in mind, the Commission

was of the view that the top step of D-2, rather than step IV, should be used as the point of reference under the methodology outlined in paragraph 64 above to determine the pensionable remuneration of ungraded officials participating in the Pension Fund.

67. The Commission also noted that the General Assembly had used 90 per cent of the difference between the net remuneration of a D-2/IV official and the two senior officials mentioned above. It was further noted that the organizations were of the view that the 10 per cent deflating factor was an arbitrary one and that 100 per cent of the difference between the net remuneration of a D-2/VI official and that of the ungraded official in question should be taken into account. Views differed in the Commission in that regard. A view was expressed that as the Commission was in the process of making recommendations to the General Assembly to determine pensionable remuneration of ungraded officials using a common system approach for the first time, a request to the Assembly to reconsider its earlier decision regarding the usage of the arbitrary deflating factor could be submitted at that point. Under this approach, 100 per cent of the difference between the net remuneration of a D-2 top-step official and an ungraded official would be taken into account to determine the pensionable remuneration of the latter by reference to that of the former. On the other hand, it was pointed out that the methodology in paragraph 64 was also used by the Assembly in 1986 to determine the pensionable remuneration of the Assistant Secretaries-General and Under-Secretaries-General. The Assembly's decision concerning the 10 per cent deflating factor could be reviewed in the context of the next comprehensive review of pensionable remuneration of the Professional and higher categories of staff.

68. The Commission was of the view that if the methodology outlined under paragraph 64 above, with the modification considered under paragraph 66, were to be applied to determine the pensionable remuneration of ungraded officials who were participants in the Fund, then the interim adjustment procedure set out in article 54 (b) of the UNJSPF Regulations, used to adjust the pensionable remuneration of staff in the Professional and higher categories, should also be used.

69. The Commission was of the view that its recommendations as regards the methodology to determine pensionable remuneration need not necessarily apply to elected officials currently participating in the Pension Fund. It would be up to the governing bodies to decide on the procedure to be used to determine the pensionable remuneration of the current incumbents. In arriving at that decision, the acquired rights of the current incumbents should be protected.

70. The Commission was of the view that if the governing bodies of the organizations chose to keep their elected officials out of the Fund, those bodies could make whatever arrangements they deemed appropriate. In that regard, it examined the proposal from UNIDO and IFAD and noted the conclusion of the Pension Board that it would be inappropriate for the Board to make recommendations on pension arrangements outside UNJSPF. For its part, the Commission was of the view that a common system approach should be followed and that the arrangements currently in force for some of the officials of the United Nations family of organizations who were outside the Pension Fund could be used as a point of reference.

Decisions of the Commission

71. The Commission decided to recommend to the General Assembly and the governing bodies of the other organizations participating in UNJSPF that:

(a) In the event the governing body of a member organization decides that its elected officials should not be participants in UNJSPF, the alternative pension arrangements would be for that governing body to determine; in such cases, it would seem appropriate to take into account the terms of office and to establish some comparability in the pension arrangements applicable to such officials in the organizations that form part of the United Nations common system;

(b) Officials appointed or elected to ungraded posts who become participants in UNJSPF should have their pensionable remuneration determined in accordance with the methodology set out in paragraph 64, with the modification considered under paragraph 66 above, so as to ensure a common system approach to the determination of their pensionable remuneration; decisions taken by each governing body on the pensionable remuneration of its ungraded officials, in application of that methodology on the occasion of comprehensive reviews of the pensionable remuneration of staff in the Professional and higher categories or soon thereafter, should be communicated to ICSC and the Board;

(c) The pensionable remuneration of such officials should be adjusted between comprehensive reviews in accordance with the procedure applicable for adjustment of the scale of pensionable remuneration of staff in the Professional and higher categories, as set out in article 54 (b) of the Regulations of the Fund;

(d) As indicated in paragraph 69 above, it should be left to the governing bodies to decide whether and how the procedures recommended in (a) to (c) above should apply to elected officials who are currently participants in the Fund, taking into account the need to protect their acquired rights.

B. Comprehensive review of pensionable remuneration for the General Service and related categories of staff

72. In its sixteenth annual report, the Commission had informed the General Assembly of its intention to undertake in 1991, as a priority issue, a comprehensive review of pensionable remuneration and consequent pensions for the General Service and related categories of staff in close cooperation and consultation with the UNJSPB. The modalities for the conduct of the review were also reported to the General Assembly. 5/ The Assembly, in its resolution 45/242, section III, took note of that intention of the Commission and requested ICSC, in full cooperation with the Board, to submit recommendations based on the above-mentioned review to the General Assembly at its forty-sixth session.

73. The Commission and the Pension Board examined detailed documents prepared by the secretariats of ICSC and UNJSPB, as reviewed by the joint preparatory working group established by the two bodies, at their respective spring

sessions. The two secretariats prepared further documents on the basis of the comments and the guidance provided by the Commission and the Board, which was reviewed by the two bodies at their respective summer sessions.

Views of the Pension Board

74. The Chairman of the Pension Board informed the Commission that there was no agreement in the Board at that stage on either retaining the existing methodology or on supporting a specific alternative thereto. He added that some members of the Board favoured retention of the current arrangements; some advocated establishing pensionable remuneration or pensions, or both, by reference to local practice, some believed that the income replacement approach was worth pursuing and some supported direct application of local taxes or some variation thereof. The Board was therefore not in a position to submit definitive views to the Commission at that stage on the methodology to determine the pensionable remuneration of staff in the General Service and related categories. It suggested to the Commission that, pending further studies of alternative methodologies, the current methodology should continue to apply, subject to the review of the current staff assessment rates. The Board also took the position that, should a revision in staff assessment result in lower gross salaries and, hence, in the pensionable remuneration derived therefrom, transitional measures should be approved which would maintain the current level of gross salaries until overtaken on the occasion of subsequent revisions of the salary scales at each duty station.

75. The Chairman of the Board indicated that further information on the Board's consideration of this matter would be provided to the General Assembly in the annual report of UNJSPB for 1991.

Views of the organizations

76. The Chairman of CCAQ stated that the views of the organizations were in accord with those expressed by the representatives of the executive heads at the recent meeting of the Pension Board. The organizations were of the view that, pending further studies into alternative methodologies, including those based on the income replacement criteria, the direct application of local tax rates to derive gross salaries and others, the current methodology should continue to apply. The latter should be subject to a satisfactory determination being made as to the staff assessment rates to be used. He added that as long as staff assessment continued to be used to derive pensionable remuneration from net pay, it would be desirable that those rates be updated on a more systematic basis, every year or every two years, in order to keep them broadly in line with outside tax rates. Should the revised staff assessment rates result in lower gross salaries than the current ones, transitional measures would have to be approved.

Views of the staff representatives

77. The President of FICSA stated that the impact on staff members of any change in the methodology had not been discussed in the documents prepared by the two secretariats. He reiterated the fundamental goal of any pension scheme, namely, that it should be such as to guarantee to participants reaching the age of retirement a benefit on which they might support themselves under conditions not too markedly different from those enjoyed

during their closing years of service. The President of FICSA stated that the existing methodology was simple, understandable, transparent and easy to manage. Yet there were problems that required solutions: (a) minimum pensions; (b) adjustments of pension benefits to take into account rapid inflation; and (c) practice of treating a part of net remuneration as non-pensionable. FICSA opposed a change in methodology not only because it was unwarranted and because its sole reason was to reduce General Service pensions, but also because it would hit staff who found themselves exposed to rigours of national administrations without the safety net of the United Nations at a time when they needed it the most, that is, upon entering retirement.

78. The President of CCISUA stated that CCISUA appreciated the spirit in which the Commission's secretariat was continuing discussions with the staff on the question of a review of staff assessment rates. He stated that the current methodology had the advantage of having been tested over time and had proved reliable. CCISUA therefore approved of the recommendation of UNJSPB that it remain in place pending further studies or alternative methodologies. In the opinion of CCISUA, none of the other methodologies presented appeared to be practicable or fair to the General Service staff. CCISUA hoped that future studies would focus on the refinement of the current methodology and maintain its fundamental principle of universality. Regardless of the outcome of the review, CCISUA urged the Commission to take the necessary action to ensure that the staff of the General Service and related categories could look forward to a decent standard of living after retirement. CCISUA considered it essential that there be full staff participation in the development of any of the options put forward by the Board.

Discussion by the Commission

79. The Commission noted the view of the representatives of staff that the pension system, as it applied to the General Service staff, was functioning correctly and that it required only minor modifications. It could not, however, agree with this assessment and expressed the view that an in-depth study of all aspects of the matter should proceed in close cooperation with the Pension Board.

80. Several members of the Commission expressed concern that the current methodology for General Service pensionable remuneration had not been reviewed in depth earlier. They questioned the appropriateness of a system in which salaries of this category of staff were based on best prevailing conditions of employment in the local labour markets while their pension benefits had, to date, never been compared with those provided by the comparators used in the salary surveys. They expressed concern that, in some instances, General Service staff exempt from taxation on pensions received the same pension benefits as those who were obliged to pay taxes. A general view prevailed that in the case of the General Service category, the salary and pension systems were not compatible. It was therefore vital and important that this state of affairs be remedied as soon as possible.

81. The Commission noted that the salary system for the Professional and higher categories of staff was of a global nature and was closely linked to a single comparator. The salaries of General Service staff, on the other hand, were determined by the best prevailing local conditions, calculated in local

currencies by reference to those offered by a selected group of employers at various duty stations. It would therefore seem logical that the pensions of the General Service staff should similarly be established on the basis of the best prevailing local conditions. The Commission was of the view that it would be equitable to follow one and the same principle for the determination of all conditions of service of General Service staff, including pensions. In that regard, it was noted that the difficulties outlined by the secretariat in following the local practice approach were those identified prior to 1980. A general view prevailed that a re-examination of this approach was essential, and that the two secretariats should study further this possibility with a view to presenting its findings to the Commission and the Board in 1992. While it was recognized that the difficulties encountered in the past in carrying out comparisons of the pensions of the General Service staff with the corresponding benefit provided by local employers might continue to exist, no alternative to the determination of pensionable remuneration and consequent pensions of the General Service staff could be eliminated at the current stage. Some members of the Commission cautioned that the local practice alternative could leave General Service staff at some duty stations without any pension or social security benefit. A view was expressed that in the event that the local practice approach resulted in little or no pension, this could be remedied by offering a minimum pension.

82. Some members of the Commission were of the view that, for the determination of the pensionable remuneration of the General Service staff, the income replacement approach, similar to the one used in the case of the Professional and higher categories of staff, should be pursued. They were of the view that, in this way, all categories of staff would be treated equitably.

83. The Commission was of the view that, before arriving at its final recommendations for submission to the General Assembly, it would be essential to determine what was the most equitable solution from the point of view of all concerned. In order to reach some conclusions in that regard, it was essential to examine whether the pension benefit provided to the General Service staff was significantly better than, equal to or inferior to that provided in the local markets. It was only after such comparisons were made that some conclusions as regards the competitiveness of the United Nations system vis-à-vis the best prevailing local conditions pertaining to all conditions of employment, including pensions, could be reached.

84. Following a detailed examination of the information before it, and in particular the preliminary data pertaining to the pension schemes of outside employers at selected duty stations, the Commission concluded that the study concerning General Service pensionable remuneration and pensions was bound to be a complex and time-consuming exercise. It therefore decided that it would recommend to the General Assembly that a step-by-step approach to the matter be taken. In that regard, it agreed to the following approach to the completion of the study and the associated time-frame:

(a) For the present, the Commission would bring to the attention of the General Assembly the scope of the problem and the complexities involved. Pending the completion of further studies regarding the methodology to be used, the current methodology for the determination of pensionable remuneration of the General Service and related categories of staff would

continue to be used. In that connection, the Commission would recommend a revised staff assessment scale that should be used to determine the pensionable remuneration of the above-mentioned categories of staff from 1 January 1992;

(b) The two secretariats would undertake a study of the local practices as regards pensions. In that connection, pension practices of outside employers used in the context of General Service salary surveys at three headquarters and three major field offices should be studied with the help of actuaries. The findings of the two secretariats would be submitted to the Commission and the Board in 1992;

(c) Concurrently with (b) above, the secretariats of ICSC and UNJSPB would collect all relevant data concerning the introduction of the income replacement approach in conjunction with local taxes for consideration by the Commission and the Board in 1992;

(d) A progress report on the study in (b) above would be submitted to the Commission at its spring 1992 session. On the basis of that progress report, the Commission would decide on the advisability of pursuing the local practice approach;

(e) On the basis of the final reports from the two secretariats concerning the studies outlined in (b) and (c) above and in close cooperation and consultation with the Board, the Commission would formulate its final recommendations concerning the methodology to determine pensionable remuneration and consequent pensions of General Service and related categories of staff for submission to the General Assembly at its forty-seventh session.

85. The Commission agreed that CCAQ, FICSA and CCISUA, as well as the staff pension committees of the member organizations of the fund should be consulted on (a) the preparation of the questionnaire to be submitted to the outside employers to obtain information on their pension practices and (b) the replies received from those employers. The analyses of the information obtained would be prepared by the two secretariats, with the assistance of the actuaries and taking into account comments received on the data collected. A report containing those analyses would be submitted to the Commission and the Board for their consideration at their respective sessions in 1992.

86. In accordance with the above approach, the Commission examined the revised scale of staff assessment submitted by its secretariat. The Commission noted that the proposed scale had been developed in accordance with the methodology used in 1986 for the calculation of the scale currently in effect. It further noted that the proposed scale reflected the latest tax data for 25 countries and included the 7 headquarters countries and 18 regional or field offices having more than 250 General Service staff members. The Commission also noted that CCAQ could accept the proposed staff assessment scale. It was also noted that the representatives of staff considered that the proposed staff assessment scale had been based on the sound application of the 1986 methodology. Bearing in mind the foregoing, the Commission decided to recommend to the General Assembly the revised staff assessment scale for the General Service and related categories of staff which is shown in annex I to the present report.

87. The Commission noted that with the implementation of the revised staff assessment scale, staff members with incomes of up to $20,000 would experience some gains in terms of their pensionable remuneration. On the other hand, those with incomes of more than $20,000 would experience reductions in their pensionable remuneration levels. These reductions would affect primarily staff at headquarters duty stations where large numbers of General Service staff were located. As a result, some savings in terms of the contributions to the Pension Fund by the organizations could be expected; however, the amount of such savings would be small.

88. As to the implementation of the revised scale of staff assessment, the Commission agreed that the modalities used at the time of the introduction of the current scale, effective 1 January 1987, should be used. The procedure would be as follows:

(a) The revised scale of staff assessment, following approval by the General Assembly, would go into effect as of 1 January 1992;

(b) General Service salary scales in effect as at 31 December 1991 would continue to remain in effect until the scale of net salaries was revised as a result of either a comprehensive General Service salary survey or an interim adjustment;

(c) On the occasion of an adjustment of the scale of General Service salaries, resulting from either a comprehensive General Service salary survey or an interim adjustment, the revised staff assessment scale would be applied to net salaries using the current net to gross methodology;

(d) If the scale of gross salaries in (c) above were to be equal to or higher than that in effect on 31 December 1991, then the revised scale would be used. However, if the scale in (c) above were to be lower than the scale in effect on 31 December 1991, then the latter scale would continue to be used until the procedure in (c) above produced a gross salary scale which was higher than the one in effect on 31 December 1991.

89. The Commission noted that in order to undertake comparisons of pension benefits provided by the outside employers used in the surveys of best prevailing conditions of employment for the General Service staff with those provided by the United Nations system, services of actuarial consultants would have to be retained. Bearing in mind that exact requirements as regards the consultancy fees could only be determined following the preparation of a request for proposal and the submission of quotations based thereon by actuarial consulting firms, the Commission considered that currently only an indicative figure of the expenses entailed could be prepared. On the basis of the preliminary information obtained by the secretariat of ICSC, the Commission considered that consultancy fees to carry out such studies involving six duty stations could amount to some $80,000.

Decisions of the Commission

90. The Commission decided to request the General Assembly to:

(a) Endorse the phased approach to the completion of the comprehensive review of pensionable remuneration and consequent pensions of the General Service and related categories of staff, as outlined under paragraph 84 above;

(b) Approve, for the General Service and related categories of staff, the revised scale of staff assessment rates in annex I for implementation from 1 January 1992 in accordance with the modalities outlined under paragraph 88 above;

(c) Approve the budgetary allocation of $80,000 for consultancy fees required to carry out the studies outlined under paragraph 84 (b) above.

CHAPTER IV

CONDITIONS OF SERVICE OF THE PROFESSIONAL AND HIGHER CATEGORIES

A. Remuneration of the Professional and higher categories: evolution of the margin between the net remuneration of the United States federal civil service and that of the United Nations system

91. In accordance with the standing mandate from the General Assembly, the Commission continued to monitor the net remuneration margin between officials in comparable positions of the United States federal civil service and the United Nations system. In this regard, it will be recalled that the Commission had reported to the Assembly a net remuneration margin of 116.8 for calendar year 1990. The Commission had also informed the Assembly that on the basis of the then anticipated increases in salaries on the comparator side and assuming that the remuneration for the United Nations officials in New York was maintained throughout the year 1991 at the level reached on 1 November 1990, the margin for the calendar year was estimated to reach a level of around 120. On the basis of this estimate and the anticipated movements in salaries on both sides, the Commission had indicated that the Assembly's request to maintain the average net remuneration margin over a five-year period around the mid-point of the range was bound to result in a prolonged freeze on the remuneration in New York and consequently at other duty stations. 6/

92. On the basis of the above, the General Assembly, by its resolution 45/241, section VII, requested the Commission to continue to monitor the evolution of the margin and also the impact of the potential changes in the United States federal civil service pay levels, as a result of the implementation of the Federal Employees Pay Comparability Act (FEPCA) of 1990, and to submit recommendations to the Assembly at its forty-sixth session, with a view to avoiding a prolonged freeze of post adjustment.

Views of the organizations

93. The Chairman of CCAQ stated that, bearing in mind the level of the margin for the current year, a change in the post adjustment for New York which would be triggered in November should be implemented as the resulting margin would still be within the range. He recalled CCAQ's request to ICSC to reiterate once again its recommendation that the General Assembly reconsider its decision regarding the five-year averaging requirement. With regard to the operation of the post adjustment system within the margin range in coming years, the CCAQ Chairman referred to the statement of ACC at its April 1991 session in which grave concern was expressed that "only one year after United Nations Professional staff were awarded a real salary increase amounting to some 5 per cent or less depending on duty stations, the benefits of this increase risked being wiped out by a freeze in post adjustment". He noted that the representative of the Secretary-General had also expressed a similar concern at the opening of the Commission's thirty-fourth session. He recalled ACC's views that the continued risk of a freeze in the United Nations stemmed largely from the continued lag in the comparator's salaries vis-à-vis the

consumer price index movements in the United States. ACC had noted that the United States Government had recognized that the United States civil service pay levels were some 30 per cent behind the level of the United States private sector and had decided to take measures, starting from 1992, to begin to align United States federal civil service salary levels more closely to those of the private sector. ACC had therefore considered it totally inappropriate for any measure to be taken that would freeze United Nations common system emoluments in 1991, even for a short duration. ACC had also urged the Commission to recommend to the General Assembly either the suspension of the current margin methodology or the introduction of other measures to avoid a freeze in post adjustment. The Chairman of CCAQ stated that from a personnel management standpoint, no further freeze could be tolerated; from a technical standpoint, it would seem that the complexity of the system was such that a freeze could never be managed in a truly equitable fashion.

94. CCAQ was convinced that a fixed margin range was unnecessary and that management of the margin should be on a pragmatic basis. He acknowledged that that might be difficult in the context of the current political climate but nevertheless insisted that there be some relaxation in margin management over coming years so as to take full account inter alia of anticipated movements of pay in the comparator civil service and to put an end to the stop-go salary adjustment process which had become an unwelcome, indeed intolerable, feature of the United Nations pay system. In the course of the discussion on that item, the representative of the United Nations, in concurring with the views of CCAQ, emphasized the need to maintain parity of purchasing power among different duty stations. He also questioned the precision attributed to the margin figure which in statistical terms was subject to a margin of error.

Views of the staff representatives

95. The President of FICSA reiterated on behalf of the federation that a freeze would be unacceptable. In light of the General Assembly's request that a prolonged freeze should be avoided, ICSC should take appropriate measures to meet that request. He considered it inappropriate that soon after the General Assembly had granted a 5 per cent salary increase, the value of that increase should be eroded by a freeze. He believed that the only viable option available to the Commission for avoiding a prolonged freeze would involve suspension of the automatic freeze mechanism which is a built-in feature of existing margin management arrangements by eliminating the upper limit of the margin range. That should be the approach at least until 1994, when FEPCA would already have begun to take effect and both the General Assembly and the Commission would be better able to assess the situation.

96. The representative of CCISUA deplored the freeze on post adjustment that had lasted from 1984 to 1988 and stated that a repeat should be avoided at any cost. In this context, it was essential that the requirements that the margin remain around the mid-point over a five-year period be set aside. He thus urged the Commission to reiterate its recommendation to the General Assembly to reconsider its decision in that respect. However, if a new freeze were to be avoided in 1992-1993, the elimination of the mid-point average over five years was not enough. What was required was a pragmatic approach to margin management. The probable evolution of salaries in the comparator civil service based on FEPCA was an additional argument against a freeze of any duration. He expressed support for option (a) described below in

paragraph 109, under which the automatic freeze mechanism would be suspended. He requested the Commission to inform the Assembly that if a freeze were to be avoided, it would have to temporarily suspend the margin mechanism in view of developments in the comparator civil service. With regard to the present margin range, he noted that this range was based on remuneration levels in the United States federal civil service which the United States Administration itself considers inadequate and is trying to remedy through FEPCA.

Discussion by the Commission

(a) Net remuneration margin for the year 1991

97. As was reported to the General Assembly last year, a 4.1 per cent across-the-board increase in salaries of those in the United States federal civil service General Schedule and related statutory pay schedules was implemented on 1 January 1991. The officials in the Senior Executive Service (SES) also received increases in salaries amounting to 18 to 25 per cent plus a 3.6 per cent employment cost index (ECI) related increase, resulting in an overall increase in the range of 22-30 per cent for those falling into that category.

98. It may be recalled that a major change in the tax legislation was made in 1986, while the full impact of the change in the tax legislation was implemented for the tax year 1988. Recently, the secretariat of the Commission obtained tax statistics from the United States Internal Revenue Service (IRS) conforming to the tax system in effect since 1988 which have been taken into account in the determination of the net remuneration margin reported below.

99. As has been stated earlier, one of the essential elements of the net remuneration margin calculation methodology is the establishment of grade equivalencies between the United Nations system and the comparator civil service. The report of the Commission concerning the latest grade equivalency study may be found in paragraphs 137 to 150 below. The margin calculations provided below are based on the grade equivalencies arising from the above-mentioned equivalency study.

100. In accordance with existing post adjustment procedures, a 3.8 per cent increase in remuneration will become applicable for New York as of 1 November 1991. This would correspond to the movement in the post adjustment index for New York since November 1990, when the last adjustment to the post adjustment in New York was made.

101. On the basis of the above-mentioned developments as regards the remuneration and other relevant aspects of the margin calculation methodology, the margin for the period 1 January to 31 December 1991 would be 118.9. The details of the margin calculation may be found in annex II.

(b) United States Federal Employees Pay Comparability Act of 1990

102. The Commission had reported on the essential features of FEPCA to the General Assembly as part of its sixteenth annual report. 7/ Further data obtained by the Commission in this regard may be found in annex III to the present report.

103. The Commission assessed the probable effect of FEPCA on the relationship between salaries of the United Nations system with those of its comparator. It noted that the comparator's pay reform legislation set out a multi-year plan for phasing out pay disparities between the United States civil service and other United States employers, beginning in 1994. The Commission also noted that the comparator's pay adjustments would vary by geographic area within the United States, based on surveys to be conducted by the Bureau of Labor Statistics. While salary surveys, which would indicate the size of the pay disparity in the Washington, D.C. area, had not been conducted as yet, the United States General Accounting Office had estimated a disparity of some 20 per cent. Thus, the Commission believed that it was reasonable to anticipate that salary increases for the United States civil servants stationed in Washington, D.C. would outpace inflation in New York for at least a reasonable period of time. As the remuneration of United Nations officials in New York would move, on an average basis with inflation, it may be concluded that the increases in salaries for United States federal civil service employees in Washington, D.C. will outpace the post adjustment increases for United Nations officials in New York. This, in turn, would result in a gradual systematic decrease in the level of the margin beginning with 1994. In fact, under the assumption that ECI and CPI in New York moved in lockstep at a rate of 4.2 per cent per annum, it was estimated that with the full implementation of FEPCA, the margin could reach a level of around the desirable mid-point of 115 in 1994 and could be further reduced to a level of around 110 by the year 1996.

(c) Measures to avoid a prolonged freeze of remuneration

104. The Commission had informed the General Assembly last year that "freezing the remuneration in New York over extended periods of time would have undesirable consequences not only in New York but also at other duty stations, some of which had not yet received a normal post adjustment increase as a result of the freeze imposed in 1984. ... The requirement of the General Assembly that the average margin be maintained around the mid-point of the range would have precisely the impact outlined above." 8/ The Commission once again invites the General Assembly to note that if the five-year averaging requirement were to be maintained, a freeze on the remuneration in New York, and consequently at other duty stations, for the years 1992 and 1993 and perhaps even in 1994 could not be avoided. This freeze would come about barely less than two years after the general across-the-board improvement in salaries approved by the Assembly for implementation from 1 July 1990. Following careful consideration of the views of ACC and staff bodies and the impact of the 1984-1988 freeze on staff management relations, staff morale and the position of the United Nations family as a competitive employer, the Commission was convinced that another prolonged freeze on the remuneration would have a negative impact on the common system.

105. Considering the above, the Commission unanimously decided to request the General Assembly to rescind its earlier decision requiring the Commission to manage the margin over a five-year period beginning in 1990 so that the average margin would be around the mid-point of the range. The Commission considered that this was the only way under the current margin range to avoid a future prolonged freeze on the remuneration of the Professional and higher categories of staff of the United Nations common system and that a failure to reconsider the above decision would result in a prolonged freeze and would lead to a serious disruption of the system.

106. Having addressed the General Assembly request for the Commission to make recommendations with a view to avoiding a long-term freeze on remuneration, the Commission turned its attention to the evolution of the margin for the immediate future, the possibility of a freeze, albeit of a short duration, and the relationship of the implementation of the locality pay provisions of FEPCA, beginning in 1994, to the margin. The Commission's discussion in that regard was based on the assumption that the Assembly would rescind its earlier decision regarding the five-year averaging of the margin. The Commission agreed that with the implementation of all provisions of FEPCA, including the one relating to the locality pay, the probability of even a short-term freeze in 1994 on the remuneration in New York could be discounted for all practical purposes. The Commission therefore centred its attention on the evolution of the post adjustment in New York and its impact on the margin only for the years 1992 and 1993.

107. The Commission noted that if the current trends with respect to the modest inflation rates in the United States and the value of the United States dollar were to continue, the movement of the post adjustment index for New York could be assumed to be less than 5 per cent per annum. Consequently, the next change in the post adjustment, which would result in a less than 5 per cent increase in the remuneration of United Nations officials in New York, would materialize in November 1992. The margin, including the impact of the anticipated increase in salaries of the comparator employees and the above-mentioned post adjustment increase in New York, would still remain below the upper limit of 120 of the margin range. As a result, the possibility of even a short-term freeze in 1992 could be discounted. Predictions as regards 1993, however, could only be made following the receipt of data concerning the ECI-related increase for the comparator employees as of 1 January 1993.

108. On the other hand, if the inflation rate in the United States were to increase, coupled with a weakening of the United States dollar, there would be an acceleration of the post adjustment index for New York. That would call for an earlier adjustment to the remuneration in New York than what could be expected on the basis of the current economic indicators. Assuming that the cost-of-living differential between New York and Washington, D.C., which is an essential element of the margin calculation methodology, remained at its current level of 10.1 per cent, the advancing of a post adjustment change would widen the margin. If the margin, including the change in post adjustment in 1992, were to reach a level beyond 120, then a freeze on the remuneration would have to be applied.

109. In view of the anticipated pay increases by the comparator beginning in 1994, and the projected drop in the margin at that time, the Commission questioned whether it made sense to adhere to rigid margin management during the intervening period, that is, for the years 1992 and 1993. In that context the Commission identified two alternative approaches to the current margin management procedures. It examined those alternatives on the assumption of an annual increase of 7 per cent in the post adjustment for New York for the years 1992 and 1993. The alternatives are outlined below:

(a) Suspension of automatic freezes: under this approach, the current procedure whereby the post adjustment in New York is automatically frozen if the granting of a post adjustment increase means breaching the upper limit of the margin range would be suspended. Increases in remuneration in New York

would continue to be granted for the years 1992 and 1993 even if the resulting margin levels were to go beyond the upper limit of the margin range;

(b) Partial post adjustment increases: under this approach less than the full increase warranted by the movement of the post adjustment index for New York would be granted, it being understood that the resulting margin would still remain within the range approved by the General Assembly. For example, if the granting of a 5 per cent increase in remuneration were to result in a margin level of, say 123, then only a 2 per cent increase would be granted.

110. The Commission was also presented with an additional alternative under which a remuneration increase equal to the increase for the comparator civil service would be granted in New York, if the granting of a full entitlement would mean a level of the margin above the upper limit of 120 of the range. The only limitation under this approach would be that the level of the increase for the United Nations officials in New York cannot exceed the comparator increase. Under this method, the margin could reach a level higher than 120. The results of the application of the above alternatives may be found in annex II to the present report. The results that would be obtained under the current approach are also shown for comparison purposes.

111. Views differed as regards the best approach to be followed in order to arrive at a proposal which would be least disruptive to the system. Some members of the Commission noted that, given the uncertain economic conditions, the possibility of a complete or a partial freeze could not be ruled out (see annex II). As this would be happening at a time when the comparator was in the process of implementing important changes to its remuneration system, which would have implications for the margin, those members were of the view that a freeze would be illogical and inconsistent with the basic principles of a sound remuneration management system. They noted that any freeze, partial or otherwise, and irrespective of its duration, would reduce the real income of staff all over the world and would be difficult to explain. They also recalled that a freeze, as the one for the period from 1984 to 1988, which had lasted longer at locations with lower inflation rates than in New York, created serious staff management problems. As the General Assembly had requested the Commission to recommend ways to avoid a long-term freeze, the same members noted that, depending on the assumptions with regard to the evolution of economic indicators, losses in purchasing power could occur over sustained periods of time. They were therefore of the view that the only way out of the current short-term difficulties would be to suspend automatic implementation of freezes until the full impact of the changes in the comparator's salary system became known. They felt that it would not be appropriate to make a recommendation regarding an expansion of the margin range barely two years after the completion of the comprehensive review when the Commission had reiterated its earlier recommendation regarding the margin range of 110-120. This would be different, however, from a suspension of the application of the margin range for a temporary period of time. They therefore considered that a recommendation to exceed temporarily the upper end of the margin range, pending the full implementation of FEPCA, would not be inconsistent with the Commission's mandate as a technical body and would remain in line with sound management practice.

112. Other members of the Commission were also of the view that a freeze of remuneration, irrespective of its duration, was undesirable and an approach

involving freezes was not a sound one from a compensation management point of view. In their view, however, it was essential to bear in mind that the possibility of a freeze was inherent in the margin range, which was a requirement of the General Assembly in the context of the United Nations compensation management system. Those members noted that the margin range was intended to reflect a control of the relationship of the United Nations pay with that of the comparator civil service. They agreed that it was unsettling to note that a freeze, albeit of a short duration or a partial one, was possible at a time when the comparator service was due to receive increases in salaries that would be greater than those projected for the United Nations staff in New York. It was recognized that the situation as regards the comparator salary system between now and 1994 represented a rather unique and unusual set of circumstances. Those members, while reiterating their support for a recommendation to the General Assembly to rescind the five-year averaging requirement, did not favour a change in the margin range or its suspension, albeit temporarily. Rather, they favoured doing everything possible to alleviate the problem within the existing margin range. Specifically, they endorsed the use of partial post adjustment to allow increases that would bring the margin up to the maximum of 120.

113. A view was expressed that all facts regarding the situation, including the anticipated effects of the implementation of FEPCA on the comparator salaries and the margin, should be brought to the attention of the General Assembly. In their view, any suggestions concerning the suspension of the margin range, temporarily or otherwise, was not a technical but rather a policy issue and the initiative for such a change should be left to the Assembly.

114. After having examined the various approaches before it, the Commission, by consensus, concluded that the solution which would result in the least disruption of the system, while remaining within the margin limits, would be to manage the post adjustment system in New York and at other duty stations on the basis of alternative (b), until the full impact of the implementation of the locality provisions of FEPCA became known in 1994. This would respect the margin range approved by the General Assembly while providing at least partial compensation for inflation for a transitional period of one or two years. Under that approach the parity of purchasing power between New York and all other duty stations would continue to be maintained. Accordingly, this would be achieved by granting, during the period of the freeze, cost-of-living increases at all duty stations in the same proportion as in New York. In that connection, the Commission reiterated its request to its secretariat to continue to publish post adjustment indices unadjusted by scaling-back procedures.

115. The Commission agreed by consensus to submit to the General Assembly the recommendation outlined under paragraph 114 above within the constraints of the current margin range. However, bearing in mind the recent developments as regards the salary setting process on the comparator side and its anticipated effects of the comparator's salaries in the near future, as well as the resulting impact on the margin, if the Assembly wished the Commission to examine ways to reduce further or eliminate the disruptive effects of a possible freeze, the Commission could undertake further studies in 1992 and submit its recommendations to the Assembly at its forty-seventh session.

Decisions by the Commission

116. The Commission decided to recommend to the General Assembly:

(a) To take note of the net remuneration margin of 118.9 for the year 1991;

(b) To take note of the information regarding FEPCA and the anticipated effects of its implementation, beginning in 1994, on the margin as outlined under paragraphs 102 to 103 above;

(c) To rescind its earlier decision requiring the Commission to manage the margin over a five-year period so that the average margin would be around the mid-point of the range;

(d) To endorse the procedure outlined in paragraph 109 (b) above for the management of the post adjustment system within the current margin range as a transitional measure until the implementation of the locality pay provisions of FEPCA in 1994.

B. Base/floor salary scale

117. CCAQ, in a note presented to the Commission, recalled that in its fifteenth annual report in the context of the comprehensive review, the Commission had recommended the establishment of a base/floor net salary level for staff in the Professional and higher categories by reference to the corresponding base net salary levels of officials in comparable positions serving at the base city of the comparator civil service. 9/ The General Assembly, by its resolution 44/198, section I, part H, paragraph 1, approved this recommendation. Subsequently, in its sixteenth annual report the Commission recommended that the base/floor salary scale should be increased. It also reported that it would review in future the base/floor salary scale in the light of the changes in the United States federal civil service salaries and the relevant rates of taxation and would consider making recommendations to the General Assembly as appropriate. 10/ As a result of the review of the level of the base/floor in 1990 the Assembly approved a revised base/floor salary scale with effect from March 1991 which represented an increase of 5 per cent over the July 1990 scale.

118. The original base/floor scale had been introduced in July 1990 not only to provide for a minimum level of take-home pay, but also to serve as the reference point for two important features of the remuneration system, the mobility and hardship allowance and the scale of separation payments. It had been introduced with the understanding that it would reflect a link with the comparator's equivalent salaries at Washington, D.C. That link was to be maintained through the updating and adjustment of the base/floor salary scale, as appropriate, in a systematic manner. The United Nations structure follows that of the comparator whose Washington, D.C. base salaries serve not only as the minimum levels of pay, but also as the basis for the computation of the overseas allowances, for example, the post differential and the post allowance, which are adjusted annually as the Washington base is adjusted.

119. The attention of the Commission was drawn to the current (1991) level of the comparators' net base salary vis-à-vis the current United Nations scale. The current United States level was computed as being 8.6 per cent higher than the United Nations level. This reflected the 4.1 per cent increase granted to the United States federal civil service in January 1991 and the balance of tax changes that had not been previously taken into account in 1990. The Commission was also informed that, in the light of United States legislation, United States federal civil service salaries would be further increased on 1 January 1992 by some 4.2 per cent. Hence, if no action were to be taken to increase the base/floor, the cumulative shortfall between United Nations and United States levels as of January 1992 would be 13 per cent.

120. The Commission was also informed that the effect of changes in the base/floor salary scale on take-home pay of staff in receipt of hardship mobility allowances had been examined for a cross-section of 23 duty stations. The data indicated that after taking into account the proposed increases, United Nations remuneration would remain below that of the comparator - even on the fifth assignment - in 11 of the locations studied. In a further two locations, the United Nations remuneration would be lower up to the fifth assignment; in four locations, United Nations remuneration would be lower up to the third assignment; in three locations up to the second assignment; in one case (an E assignment), United Nations levels were higher.

121. The representative of the United Nations Development Programme (UNDP) also explained the importance of the mobility/hardship allowance for ensuring the continued functioning of his organization's programmes in the field. He noted that in organizations such as UNDP with large field programmes and rotation policies, mobility was working in a more cost-effective manner because of the introduction of the mobility and hardship allowance system. In UNDP, staff working in locations with the highest hardship rating were currently being rotated every three years as opposed to every two years. This resulted in savings owing to reduced turnover of staff and lower direct expenditures for shipping, travel and installation expenses. There were also indirect savings achieved through greater continuity, less time spent in settling in and orientation at the new duty stations. Moreover, staff were better able to understand the way in which the allowance system was linked to the levels of pay of the comparator and could see more clearly that adjustments made by the comparator in respect of its staff in the field were reflected in the United Nations common system.

Views of the staff representatives

122. The representative of FICSA welcomed the initiative of CCAQ in presenting its proposal to raise the base/floor salary. He noted that the Commission's secretariat had proposed a 12 per cent increase at the thirty-second session of ICSC and that the 5 per cent eventually granted by the General Assembly had left a shortfall of 7.5 per cent. The current proposal of CCAQ indicated that an 8.6 per cent increase appeared due to re-establish the parity as foreseen during the comprehensive review for the Professional and higher categories. As the comparator had already decided upon a 4.2 per cent increase to be granted on 1 January 1992, FICSA would recommend that the amount be included in the current proposal and that the Commission recommend a 13 per cent increase to the General Assembly in the base/floor salary.

123. The representative of CCISUA supported the review of the base salary floor at the present session. It was indicated that unless this exercise was carried out each year, there was a risk that the level of the base salary would fall further and further behind the level of pay of the United States civil service at Washington, D.C. This would mean that the entire system resulting from the comprehensive review, which rested on the base/floor salary, would be distorted. One could not accept that steps towards simplification, such as the elimination of a distinct scale for separation payments adjusted automatically, should result in lower entitlements. CCISUA therefore supported the increase proposed by CCAQ, although a higher increase would have been justified.

Discussion by the Commission

124. Members of the Commission noted that the Commission would be presenting a report on the operation of the new mobility/hardship scheme to the General Assembly at its forty-seventh session. The Commission believed, however, that the scheme, including its adjustment through linkage to the base/floor scale, should continue as originally conceived until the review was completed. Members observed that the base/floor proposal was essentially geared to maintaining appropriate conditions of service in the field. General support for an adjustment of the base/floor scale was voiced. One member indicated that while he would go along with the proposal he would have prefered to take a decision next year. The Commission considered the possibility of waiting a further year but decided, on balance, that an adjustment should be recommended at this point as deferral of the request would not lessen the need and would result in a larger increase the following year.

Decision by the Commission

125. The Commission decided to recommend to the General Assembly that the current base/floor salary scale should be increased, through consolidation of post adjustment classes, by 8.6 per cent. It further decided to recommend that the resulting base/floor salary scale and associated staff assessment scale for use in conjunction with gross base salaries for staff members without primary dependants as shown in annex IV should be implemented from 1 March 1992.

126. The Commission also decided that it would report on the operation of the mobility/hardship scheme and present a detailed report thereon to the General Assembly in 1992.

Financial implications

127. Financial implications for 1992 were estimated at $5,879,300, made up of three elements, as follows:

(i)	Countries that are currently below multiplier 8.6	834 000
(ii)	Mobility/hardship allowance	4 129 700
(iii)	Scale of separation payments	915 600
	Total	$5 879 300

It was noted that the majority of the costs would be chargeable to extrabudgetary funds rather than to regular budgets of organizations.

C. Matters relating to post adjustment: report on the sixteenth session of the Advisory Committee on Post Adjustment Questions

128. The Commission, as part of its ongoing responsibilities under article 11 of its statute, considered the report of its Advisory Committee on Post Adjustment Questions (ACPAQ) on the work of its sixteenth session. The Committee had dealt with technical issues relating to the processing of place-to-place surveys for field duty stations, technical aspects of the methodology to be reviewed prior to the next round of surveys and with the programme for simulating the separation of housing from post adjustment at duty stations where valid housing comparisons were difficult or impossible, as requested by the General Assembly in its resolution 45/241. The report also included an examination of the methodology used for the measurement of the cost-of-living differential between New York and Washington, D.C. for purposes of computing the net remuneration margin.

Views of the organizations

129. The Chairman of CCAQ expressed support for the recommendations of ACPAQ regarding surveys at field duty stations and time-to-time surveys. He welcomed ACPAQ's identification of a number of technical issues for further studies that had arisen in the context of place-to-place surveys. He stated that it was important to price items currently included in place-to-place survey comparisons. A judicious balance was therefore necessary in terms of the comparability of items and the number of items that were priced. In that regard, it was observed that strict comparability in specifications could lead to fewer items being priced. Every effort should be made to compare the prices of durable and electronic goods, including cars. The Chairman of CCAQ stated that the use of external data should be pursued with vigour. In his view, the use of such data should lighten the workload of the ICSC secretariat. ACPAQ's indication that the secretariat should ensure that data from external sources were accurate and consistent should not be overburdensome. CCAQ strongly supported the revised procedure recommended by ACPAQ for the calculation of the cost-of-living differential between New York and Washington, D.C., which it considered would result in the establishment of more accurate relativities between the two locations. CCAQ noted the probable impact of this revised procedure on the level of the net remuneration margin.

Views of the staff representatives

130. The President of FICSA and the representative of CCISUA expressed support for the recommendations of ACPAQ relating to cost-of-living surveys at field duty stations and for conducting place-to-place surveys in lieu of time-to-time surveys and took note of those topics identified for further study.

131. The President of FICSA agreed that different calculation procedures were appropriate for determining the New York/Washington, D.C. cost-of-living differential for the United Nations/United States margin, on the one hand, and

for post adjustment index calculation, on the other. The margin calculations involved two populations with different characteristics while in post adjustment index calculations a single population of international civil servants was involved.

132. The representative of CCISUA noted that the post adjustment system had been used to calculate the New York/Washington, D.C. differential because the data needed to determine the cost-of-living of United States officials in Washington, D.C. were not available. It had always been recognized that this method presented difficulties, but the changes made in the post adjustment system as result of the comprehensive review had aggravated the problem to a point where the use of an identical method for establishing, on the one hand, the Washington, D.C. post adjustment index, and, on the other, the New York/Washington, D.C. differential could no longer be justified. While the use of the method recommended by ACPAQ would result in a higher differential, the use of the old post adjustment formula would also produce a higher value than the current measurement.

Discussion by the Commission

133. The Commission took note of the programme of place-to-place surveys for 1991, developed in response to General Assembly resolution 45/241, that would include at least 25 duty stations with characteristics defined by the Commission for simulating the separation of housing from post adjustment. 11/

134. Members of the Commission recalled that in 1988, ACPAQ had considered the issue of calculating the cost-of-living differential for margin calculations when analysing survey results for headquarters duty stations and Washington, D.C. ACPAQ had noted at the time that the housing index for Washington was based on very limited information on rents, owing to the small number of renters among the international staff in that city. It had, therefore, recommended that special surveys of market rents in New York and Washington should be conducted, if similar data were not available from the United States Bureau of Labor Statistics, adding that such data would significantly improve measurement of the housing component of the post adjustment indices for both cities. Members of the Commission noted that in its latest review of the matter, ACPAQ had identified a number of other technical problems connected with the measurement of the cost-of-living differential between the two cities. These were directly related to the introduction of certain changes in the cost-of-living survey methodology that was adopted as part of the comprehensive review, namely the use of common expenditure weights and a new index calculation formula (modified Walsh).

135. The Commission noted ACPAQ's conclusions that while the methodology for post adjustment index calculations approved in 1989 was technically sound and sufficient for its specific purpose, it was not appropriate for calculating a New York/Washington, D.C. cost-of-living differential for use in margin calculations that involved the populations of United Nations international staff, on the one hand, and that of the United States federal civil service, on the other. The current post adjustment indices on which the cost-of-living differential for margin purposes were based included items such as out-of-area expenditures that were of relevance only for an expatriate population. It was in light of those considerations that ACPAQ had recommended a different formula that would substantially eliminate the difficulties mentioned above.

The Commission noted that, owing to the lack of required data for New York and Washington, D.C., the housing issue remained to be resolved and, therefore, the overall effects of the proposals made by ACPAQ could not be fully evaluated. In addition, concern was expressed by some members over ACPAQ's proposal to use different formulae for margin and post adjustment index calculations to measure the cost-of-living differential between New York and Washington, D.C. Some members expressed the view that this would add further complexity and thus would not enhance transparency, and in this connection recalled that the comprehensive review had as one of its basic goals the simplification of the system of remuneration. Other members, however, were of the view that there might be a need for two different procedures, one for the determination of post adjustment indices for all duty stations, including New York and Washington, D.C., and a separate one for the calculation of indices to determine the cost-of-living differential in the context of the margin.

Decisions of the Commission

136. The Commission approved ACPAQ's recommendations relating to the cost-of-living survey methodology that would be applied in the course of the present round of place-to-place surveys requested by the General Assembly. With regard to the issue of the measurement of the cost-of-living differential between New York and Washington, D.C., the Commission, while reiterating the need for greater transparency and simplicity in the concepts and administration of the remuneration system, decided to request its secretariat to study the issue further with a view to clarifying outstanding technical issues, including, inter alia, the measurement of the housing component.

D. Study of the grade equivalencies between the United Nations system and the comparator civil service

137. Under a standing mandate from the General Assembly, the Commission continues to monitor the margin between the net remuneration of the United Nations officials from the Professional and higher categories in New York and that of the United States federal civil service employees at Washington, D.C. in comparable positions. As the Commission has informed the Assembly in the past, one of the essential elements of the net remuneration margin calculations is the establishment of grade equivalencies between the United Nations system and the comparator civil service. It will be recalled that the last time the Commission had conducted a study leading to the establishment of grade equivalencies between the two civil services was in 1986. The Commission's findings based on that study were reported to the Assembly in the twelfth annual report of the Commission. 12/

138. As part of its work programme for 1991, the Commission embarked on an update of the grade equivalencies established in 1986. Documents outlining various aspects of the study, including the results of the validity checks performed in close cooperation with the officials of the United States Office of Personnel Management, were examined by the Commission. Further documents dealing with the special pay systems and rates of the comparator civil service submitted by the Commission's secretariat and FICSA were also considered by the Commission. The secretariat informed the Commission of the recent passage of legislation by the United States Congress, namely, the Financial Institution Reform, Recovery and Enforcement Act, which had led to the

establishment of a number of pay systems with pay levels significantly different from those of equivalent positions in the pay systems currently included in net remuneration margin comparisons.

Views of the organizations

139. The Chairman of CCAQ noted the results of the study and of the subsequent validity check. He recalled that representatives of 10 organizations had been closely involved in the classification segment of the exercise and suggested that in future studies all classifiers involved, both in the organizations and in the comparator, should be brought together at the beginning of the exercise to ensure a common understanding of the classification process.

140. CCAQ expressed particular interest in the details of the recently introduced pay systems of the comparator, which demonstrated a movement away from the General Schedule in order to preserve the competitivity of pay levels. The creation of individual agency remuneration systems, resulting from legislation passed by the United States Congress in 1989, appeared to be giving relief to agencies, similar to that which would occur upon the implementation of the Federal Employees Pay Comparability Act. CCAQ felt strongly that as the staff affected by those improved pay levels were United States federal civil servants, their remuneration, in terms of the Nobelmaire principle, should be taken into account in the margin comparison through a grade equivalency review. It was important to review again the inclusion of bonuses in those pay systems and the General Schedule in the margin calculation. CCAQ requested that the information on all such departures from the General Schedule be updated and, as appropriate, expanded on an annual basis.

141. In the course of the discussion on that item, the representative of the United Nations noted that, in effect, the comparator had moved to a rank-in-person system for the remuneration of its staff at the senior levels, as a result of the application of a variety of new pay systems and the broad application of new pay scales.

Views of the staff representatives

142. The representative of FICSA took note of the clear presentation of the results on the study of grade equivalencies. He was disturbed, however, that in introducing the actions requested by the Commission, the document noted the effect of the study's results on the net remuneration margin. In his view, the result on the margin had no bearing on the validity of the study and that a decision should be based on technical correctness alone. In a separate note to the Commission, FICSA recalled that the comparator civil service had experienced problems of recruitment and retention that were similar to those faced by the common system. In response the comparator, with congressional permission, had introduced "special rates" in an effort to retain key staff in various departments of the United States Government. The special rates were initally instituted on a selective basis but their application had since been broadened, resulting in a considerable number of pay systems for jobs equivalent to those found in the common system. FICSA therefore urged the Commission to include the special rates and other pay systems in any compensation equivalency or margin study.

143. The CCISUA representative also noted the results of the grade equivalency study and the high degree of confirmation of the validity check. With regard to the special pay systems, he agreed with the position taken by FICSA that the comparator staff working under special rates and systems were national civil servants, which should therefore be included in the comparison between the United States federal civil service and the United Nations common system.

Discussion by the Commission

144. At the outset, the Commission expressed the view that the technical soundness and correctness of grade equivalencies were fundamental to correct measurement of the net remuneration margin as the grade equivalencies derived from those studies were a key component of margin calculations.

145. On the basis of the documentation before it, the Commission concluded that the 1990-1991 grade equivalency study had been conducted using a methodology identical to that utilized in 1985-1986. The Commission noted that job data had been requested on 531 positions from 45 United States Government agencies based on the relative proportions of United Nations staff assigned to 27 most populous occupational groups with the exception of representation, coordination and liaison specialists and interpreters and translators. That exclusion was consistent with the Commission's decision to exclude those occupational groups at the time of the 1985-1986 study. Of the 476 position descriptions that had been received from 43 agencies, the secretariat had included 409 positions for analysis purposes and had excluded 67 jobs, based largely on insufficient job data or lack of agreement among classification specialists. The Commission further noted that data requested for certain occupations, including those in the Veterans Administration and the Commissioned Corps, were either not received or insufficient and that the secretariat had therefore included the grading levels obtained for those occupations during the 1985-1986 study. The Commission considered the results of the validity check carried out by the United States Office of Personnel Management as part of the equivalency study, which resulted in a confirmation rate of 92 per cent, compared with a rate of 78.8 per cent in the 1985-1986 exercise.

146. The Commission recalled its earlier decision to include in the grade equivalency study five pay systems in addition to the United States General Schedule and the Senior Executive Service. It noted, however, that there had been a further, continuing, departure of United States Government staff covered by the General Schedule, as some of the United States Government agencies that were previously following the General Schedule ceased to follow the General Schedule and as some agencies with pay systems outside the framework of the General Schedule had been newly established.

147. The Commission considered two options suggested by its secretariat to include the special United States federal civil service pay systems in net margin comparisons. Both approaches would require the establishment of grade equivalencies between those pay systems and the United Nations system. One of the options would entail averaging the salaries of the newly identified pay systems with those of the seven pay systems currently included. The second approach would require the selection of the best paying federal civil service pay systems for the occupational groups of relevance to the United Nations system.

148. Some members expressed the view that the second approach might result in overpaying some staff, while at the same time recognizing that some mechanism was required to overcome the shortcomings of the averaging process, which was not beneficial to those specialized groups of staff for which the organizations faced recruitment and retention problems.

149. The Commission was of the view that the introduction of the new or revised pay systems by the comparator warranted further review, which could only be carried out on the basis of additional information and statistics to be collected by its secretariat. It was only on the basis of such a review that a decision could be reached on the most appropriate way to incorporate those pay systems in net remuneration margin comparisons.

Decisions of the Commission

150. The Commission decided:

(a) To approve the results of the 1990-1991 grade equivalency study;

(b) To use the results of the latest grade equivalency study for net remuneration comparisons between the United States federal civil service and the United Nations common system;

(c) To note that, as a result of the current grade equivalency study, the net remuneration margin would decrease in the order of 1.8 percentage points;

(d) To note the introduction of a number of new or revised United States pay systems;

(e) To request its secretariat to review further data on the new or revised United States pay systems with a view to reflecting them in grade equivalencies used for margin calculations, as appropriate, and to report thereon to the Commission at its thirty-fifth session.

E. Identification of the highest-paid national civil service

151. Pursuant to General Assembly resolution 44/198, section I B, wherein the Commission was requested to propose to the General Assembly at its forty-sixth session a methodology for carrying out checks to determine which was the highest-paying civil service, ICSC considered the matter as part of its work programme for 1991. The Commission was of the view that it would be best to consider a two-phased approach. In the first phase, the remuneration, job classification practices and pension schemes of potential comparators would be examined with a view to developing a general methodology; the second phase would proceed only if, and when, the Commission considered it reasonable to believe, based on the results of phase I, that the short-listed potential comparators were likely to prove to be superior to the current comparator. The Commission also agreed that, with regard to the foregoing, consultations between the secretariat and representatives of administration and staff would be appropriate.

152. In accordance with the above approach, the Commission considered a note prepared by its secretariat concerning the testing of the phase I methodology on a pilot basis. Job classification systems, cash compensation and retirement schemes for the existing comparator and for 11 other countries were reviewed. As regards the latter, it was concluded that without actuarial calculations it was virtually impossible to rank the retirement schemes. It was also noted that the very approximate nature of the phase I methodology meant that it would be necessary to investigate further some civil services as the analysis at the mid-point of salary ranges could not substitute for one based on a grade equivalency study. Notwithstanding the limited nature of phase I, the pilot exercise appeared to demonstrate the existence of national civil service remuneration programmes which merited further study using a modified phase I methodology.

Views of the organizations

153. CCAQ noted that although the secretariat's note responded to the instructions given by the Commission, it did not appear to give an adequate basis to move forward at the current stage. The information presented was incomplete; it was thus not possible to conclude which countries should be retained in or, excluded from, phase II of the review. Judgements made on the basis of only two criteria - the existence of a job classification system and the broadly comparable net salary levels - were deemed too facile. The organizations were concerned that it was proposed to exclude Japan and France in the next stage of the review simply because those countries did not have a job classification system but remunerated civil servants on the basis of a rank-in-person system.

154. CCAQ also commented that the net base salary comparison that had been used to determine the countries which should remain in the study was not valid where there was a tradition of including a number of cash and non-cash elements in the remuneration package of civil servants. For example, housing support was an important element in the conditions of employment of civil servants in Japan. Further consultations between the representatives of administrations and staff and the secretariat of the Commission would help to address those and other issues, but such consultations should not detract from CCAQ's overall concern that the plan of action - the phased approach - should be revised to take account of the need not to exclude or eliminate countries at the current stage given the very approximate nature of the phase I methodology.

155. The representative of the United Nations questioned whether all relevant aspects of emoluments had been taken into account in the first phase of the present review, for example, the five-month bonus in the case of Japan. He also commented on the analysis presented for the United Kingdom, which, in his view, had omitted a large segment of the national civil service and had used salary rates only applicable outside London and had not fully reflected other cash and non-cash benefits paid in that country. He was of the view that the information on pensions was virtually impossible to analyse in the absence of a standard actuarial model. He suggested that before arriving at its initial assessment as to which countries to exclude, the Commission should consider establishing specific equivalencies at P-1/P-2, P-4 and D-1 levels.

Views of the staff representatives

156. The President of FICSA stated that the Federation believed that insufficient information had been furnished. That being so, it was premature to draw any conclusions and there was currently no justification to support any elimination of countries. FICSA was of the opinion that the facts and information furnished had been presented in such a manner as to confirm a conclusion which had already been taken. FICSA believed that more in-depth study was required on both subjects of classification criteria and grading of jobs. Lastly, too much emphasis had been placed upon the "cash part" of other civil services' compensation packages, to the exclusion of other elements. Doing so had resulted in a biased conclusion. FICSA had pressed for such a study for many years. It would consider a premature conclusion/termination of the study as completely unsatisfactory.

157. The representative of CCISUA said that the decision of the Commission to first determine whether there was a national civil service paying more than the current comparator before proceeding to the development of a methodology for identifying the highest-paid national civil service was at variance with the mandate given to the Commission in resolution 44/198. As a result, the document before the Commission was inconclusive. In that context, she underlined the need to take into account an adequate number of equivalent grades rather than the mid-point of the scale, as well as the inadequacy of post-adjustment indices for measuring cost-of-living relativities. The quantification of non-cash elements was also crucial. In particular, it was pointed out that, as concerned retirement benefits, where a pension scheme was non-contributory, that resulted, in effect, in higher net pay. CCISUA had problems with the notion that the exercise should be designed with a view to identifying a civil service that paid "significantly better" than the current comparator rather than the "highest-paying" national civil service, as requested by the General Assembly. Commenting on the idea of a basket of comparators, the CCISUA representative felt that such an approach, which would allow for greater stability, could be used to determine movement of remuneration. However, it could only be used to set absolute levels if the margin range was redefined.

Discussion by the Commission

158. The Commission agreed that it should not, at that stage, go beyond complying with the request by the General Assembly for a methodology to conduct periodic checks to determine the highest-paying national civil service. Work done to date had illustrated the enormous task of defining, measuring and comparing remuneration systems of national civil services. The Commission noted that considerable technical difficulties were still being encountered in making comparisons with the United States federal civil service despite very many years of experience which had been gained in that matter. Some members therefore questioned the Commission's ability ever to precisely compare different national civil service remuneration systems. They also questioned the level of precision and detail actually needed to conclude whether a change of comparators was warranted. The Commission agreed that valid job matches would be an essential element in establishing remuneration comparisons in phase I. They also agreed that the phase I analysis should include significant allowances and not just base salary. It was suggested that a detailed examination of pension benefits need not be taken into account

when selecting a limited number of countries for study in phase I. The analysis of retirement income for various national civil services would take place in phase II of the proposed methodology. Accordingly, it was agreed that analysis of retirement income for various national civil services should be moved from phase I to phase II of the proposed methodology. There was general agreement that phase I should result in the identification of a minimal number of civil services for further possible study in phase II.

Decision of the Commission

159. The Commission decided to recommend to the General Assembly a methodology for conducting checks every five years to determine the highest-paid national civil service. The proposed methodology is provided in the annex V to the present report.

F. Comprehensive review of conditions of service of Assistant Secretaries-General/Under-Secretaries-General

160. The General Assembly, in its resolution 45/241, section V, requested the Commission to reconsider, in a comprehensive manner, the remuneration of staff of organizations of the United Nations common system at the Assistant Secretary-General, Under-Secretary-General and equivalent levels, taking into account, inter alia, the remuneration levels of equivalent positions in the comparator civil service, representation and other allowances, housing arrangements and pensionable remuneration levels, and to report thereon to the General Assembly at its forty-sixth session. Accordingly, the Commission undertook a study of equivalence using a modified methodology and reconsidered the issues of remuneration, allowances and pensionable remuneration for the Assistant Secretary-General, Under-Secretary-General and equivalent levels.

161. It was recalled that the Commission had studied the question of equivalence of the Assistant Secretary-General, Under-Secretary-General levels several times in the past without success. The absence of a formal classification system for such levels in both the common system and the comparator service meant that the exercise had not been based on a firm technical foundation. In addition, a series of related technical problems meant that prospects for identifying firm equivalencies at those higher levels were not good. The comparator service provided for appointment to leadership positions at the head of its executive branch through use of its Executive Schedule. The Commission was also informed that the Executive Schedule of the United States Government was established by Congress to cover top officials in the Executive branch. Such appointments were generally of individuals from outside the civil service; the appointments were political in nature and were for a specific function. The appointees had no career expectation and were expected to resign at the end of an administration or could be required to resign at an earlier date. It was observed that such characteristics showed some parallels with the Assistant-Secretary-General, Under-Secretary-General and equivalent levels of the common system. The latter appointments were also non-career, time-limited, for specific functions and were sometimes political. Generally, they were made by the executive head, and, in a number of cases, they were subject to governing body approval.

162. The attention of the Commission was also drawn to the provisions made by the comparator for housing allowances in New York for a limited number of staff assigned to its Mission to the United Nations. As regards pensions, two options for the Assistant Secretary-General, Under-Secretary-General levels for "opting-out" of pension fund coverage were outlined to the Commission for consideration in the light of the short-service nature of many Assistant Secretary-General, Under-Secretary-General appointments.

Views of the organizations

163. CCAQ noted the proposals before the Commission and stated its belief that, as a matter of principle, all staff should be remunerated correctly and have available adequate social security coverage. That held true for the most senior managers and decision makers, just as it did for other categories of staff. As CCAQ had already mentioned in the context of other subjects, notably the net remuneration margin and the grade equivalency study, CCAQ was concerned by a number of issues relating to the structure of the salary scale itself. Those were issues that had been left over from the comprehensive review and included the compression of the scale at the D-1 and D-2 levels and the possible need for additional grade levels in the scale. CCAQ had begun to review a number of alternatives and would be pursuing discussions in order to make proposals next year. An upward movement in the levels of the Assistant Secretary-General, Under-Secretary-General pay would be an important key in those further deliberations on the structure of the scale, as increasing the uppermost pay levels would give a little more room to manoeuvre. CCAQ stated that it was therefore in the context of the agenda item under consideration that it was looking carefully into those structural questions, both from a technical perspective and in the context of personnel management needs, and it was also keeping an eye on the comparator's practices as a reference.

164. The representative of the United Nations supported the proposals presented and recalled that the Commission discussed the subject last year. She noted the substantial changes that had taken place in the comparator civil service recently, including the substantial increases in remuneration granted to the Executive Service in the current year. She believed the proposed approach regarding equivalencies to be both simple and practical as it reflected the rank-in-person approach used by the comparator at that level. The representative of the Secretary-General supported increases in net remuneration and indicated that the Secretary-General did not wish at that time to make a specific recommendation on the level of the increase but first preferred to hear the views of the Commission. The United Nations also supported the housing proposal. As regards the question of pension arrangements, she indicated it was important that long-serving senior staff and those who were appointed for short periods receive equitable treatment.

Views of the Secretary of the United Nations Joint Staff Pension Board

165. The Secretary of the Pension Board noted that, in resolution 45/241, the General Assembly had requested the Commission to examine the appropriate pensionable remuneration levels for Assistant Secretary-General, Under-Secretary-General staff. He noted further that the relevant parts of the secretariat document focused on possible alternatives to participation in UNJSPF for staff recruited at the Assistant Secretary-General, Under-Secretary-General levels (e.g., payment of an end-of-service grant),

rather than on the pensionable remuneration levels of such staff. He recalled that the General Assembly, at its thirty-seventh session in 1982, in its resolution 37/131 of 17 December 1982, had requested the Board to provide information on exclusions of staff members from participation in the Fund and, based thereon, to submit proposals for removing the exclusion provision from article 21 of the Regulations of the Fund. The Board, upon receipt of the information from its member organizations, reported to the Assembly that there were a limited number of cases where the exclusion provisions were applied; the reasons for the exclusions related mainly to avoiding duplicate pension coverage and to allowing continuation of existing pension rights under various national schemes, making it possible to implement special agreements entered into with the host countries on social security matters. The Secretary of the Board stated that the Board had repeatedly taken the position that use of the exclusion provision in article 21 of the Pension Fund Regulations should be limited to exceptional circumstances and the objective should be to ensure pension and social security coverage for all staff members.

166. Short terms of service within the United Nations system were not unique to staff at the Assistant Secretary-General, Under-Secretary-General levels; there were staff at all levels, including, for example, technical experts, who only served for a few years and therefore did not complete the five years of contributory service required to be vested in the Pension Fund. Participation in the Pension Fund should be determined by the terms of employment and not according to the wishes or expectations of individual staff members, regardless of their level. It was recalled that Pension Fund participation carried with it death and disability benefit coverage, not only pension coverage.

167. The Secretary of the Board suggested that great care should be taken in advancing alternatives to participation in UNJSPF for certain senior officials and that the Pension Board should be consulted before recommendations were made and decisions taken on pension matters.

Discussion by the Commission

168. The Commission noted that there remained very significant difficulties in making any technically sound determination of direct grade equivalencies between the common system and the comparator civil service. The Commission had previously made a series of attempts at establishing grade equivalencies using traditional job classification techniques involving a measurement of duties and responsibilities within a factor-point classification system. Technical difficulties encountered in earlier attempts still existed in 1991. Primarily, leadership roles, subject to political appointment in both civil service systems, were graded by rank-in-person rather than job content in terms of duties and responsibilities. Standard job descriptions did not exist for such functions and the applicable job classification systems in each service did not provide point ranges applicable to such positions. It was observed that the group most comparable to Assistant Secretaries-General and Under-Secretaries-General was remunerated under the Executive Schedule in the comparator service. That Schedule had been established by Congress to cover top officials in the Executive branch and all posts remunerated under the Schedule were established by statute with appointments made by the President and most of them subject to Senate confirmation. Members noted that comparable arrangements generally existed as regards senior appointments to

Assistant Secretary-General, Under-Secretary-General and equivalent levels. The Executive Schedule ranged from level I $US 138,900 gross (i.e., before taxes) to level V at $US 101,300 gross. Members considered which of those Executive levels would relate most closely to the Assistant Secretary-General, Under-Secretary-General levels of the common system.

169. Given the variety of functions undertaken at each level, it was apparent that no rigid linkage could be reliably determined between the two services. While some members believed that Executive levels II and III related to the Under-Secretary-General and Assistant Secretary-General grades, respectively, others believed that Executive levels III and IV would be more closely equivalent to the Under-Secretary-General and Assistant Secretary-General grades. It was observed that even under the best technical conditions, grade equivalency exercises often resulted in grades in one service being matched on a weighted basis to two or three separate grades in another service. Under the circumstances, it was agreed that it would be unrealistic to attempt to define an exact match of a single executive level to either the Assistant Secretary-General or Under-Secretary-General grades of the common system. Nevertheless, some working basis was required for comparing Assistant Secretary-General and Under-Secretary-General remuneration and accordingly, members agreed on recommendations to be made as regards approximate equivalencies between the two services.

170. As to net remuneration increases for officials in Assistant Secretary-General, Under-Secretary-General and equivalent levels, several members of the Commission expressed a number of concerns. One member noted that the mechanism by which salaries were adjusted in the comparator service and within the common system varied considerably and that this would have to be taken into consideration as the comparator increases tended to be irregular while those of the common system were related to movements of post adjustment for the Professional level staff. Another member also noted that a 1979 consultant's study prepared for the Commission had suggested the following approximate equivalencies: Under-Secretary-General = Ex II/III/IV and Assistant Secretary-General = Ex IV/V. The Commission at that time had recommended that the General Assembly note those approximate equivalencies but the General Assembly did not act on the recommendation. A view prevailed that the recommendation to the General Assembly as regards salaries should include a range of from 7 to 11 per cent, which would keep the net remuneration ratio at those levels closer to the average pertaining to grades P-1 through D-2. It was also agreed that the recommendation to the General Assembly with respect to net remuneration increases should be limited to Assistant Secretary-General, Under-Secretary-General and equivalent levels. One member of the Commission was of the view that the impact of the possible increases for Assistant Secretaries-General and Under-Secretaries-General on the inter-grade differentials with the D-2, whose salaries were barely higher than those of the equivalent grades in the comparator, should be studied. He was also of the view that a review of the structural aspects of the salary scale might also be studied in the future. He further added that the Commission's recommendations regarding a salary increase for Assistant Secretaries-General and Under-Secretaries-General should contain precise figures, and the current level of the effective margin ratio of less than 2 per cent for officials at the D-2 level should be brought to the attention of the Assembly.

171. The Commission noted the comparison of housing arrangements for United Nations staff with those for the United States staff assigned to the United States Mission to the United Nations and agreed to reiterate its 1990 proposal made to the General Assembly at its forty-fifth session (see annex VI). With regard to pension, while noting that the pensionable remuneration scale would be adjusted automatically to reflect net remuneration increases, the Commission agreed that alternative pension arrangements for officials in the Assistant Secretary-General, Under-Secretary-General and equivalent levels required further study with the Pension Board. With respect to representation allowances, the Commission agreed to reiterate its 1990 proposal made to the Assembly at its forty-fifth session.

172. The Commission noted that the financial implications arising from each 1 per cent increase in salary for officials at the Assistant Secretary-General, Under-Secretary-General and equivalent levels would amount to some $130,000 per annum on a system-wide basis.

Recommendations

173. The Commission decided to recommend to the General Assembly that:

(a) Direct equivalencies could not be firmly established between the common system and the comparator civil service for Assistant Secretary-General, Under-Secretary-General and equivalent levels but approximate working equivalents could reasonably be set as follows:

(i) Under-Secretary-General = Comparator levels Ex. II to Ex. III;

(ii) Assistant Secretary-General = Comparator levels Ex. III to Ex. IV;

(b) An increase in net remuneration levels for the Assistant Secretary-General, Under-Secretary-General levels in a range of 7 to 11 per cent to reflect improved conditions of service at the comparator's equivalent levels of the Executive Schedule could be considered. The specific level of increases should be determined by the General Assembly in the light of such recommendations as the Secretary-General may wish to make bearing in mind the desirability of establishing net remuneration ratios vis-à-vis the comparator service for the Assistant Secretary-General, Under-Secretary-General levels which are in line with those prevailing for the P-1/D-2 categories of staff as a whole;

(c) Revised housing arrangements for those at the Assistant Secretary-General, Under-Secretary-General and equivalent levels be established as follows:

(i) Executive heads would be authorized to exercise discretion to approve the granting of such subsidy arrangements to those at the Assistant Secretary-General, Under-Secretary-General and equivalent levels in cases where such officials needed to rent suitably sized and located accommodation;

(ii) The current arrangements whereby a limit is placed on the maximum allowable rent for the purposes of calculating rental subsidies would be replaced by new arrangements whereby eligible officials

would receive a maximum rental subsidy amounting to 75 per cent of the threshold rent for the individual concerned;

(d) The pensionable remuneration scale in respect of Assistant Secretary-General, Under-Secretary-General and equivalent levels should be adjusted commensurate with changes in net remuneration, but alternative pension arrangements for staff at the Assistant Secretary-General, Under-Secretary-General and equivalent levels should be deferred pending further study;

(e) Representation allowances are not susceptible to common system treatment and would best be handled by executive heads under guidance from the governing bodies of their respective organizations.

CHAPTER V

CONDITIONS OF SERVICE OF THE GENERAL SERVICE AND RELATED CATEGORIES

A. Survey of best prevailing conditions of service at Geneva

174. As part of its responsibilities under article 12 of its statute, the Commission conducted a survey of best prevailing conditions of service for the General Service and related categories and language teaching staff at Geneva. The salary scales recommended by the Commission are reproduced in annex VII to the present report. The financial implications of the recommendation were estimated at SwF 24.0 million and SwF 70,000 per annum, respectively, consisting of costs related to net salary, pensionable remuneration and dependency allowance increases. It was noted that some organizations maintained their budgets in Swiss francs. For all organizations and all sources of funds, the financial implications in United States dollar terms were estimated at $19.0 million at the exchange rate of 1.27 Swiss francs to the United States dollar in effect on 1 January 1991. Approximately 48 per cent of this amount will be borne by the United Nations with the remainder to be borne by the other common system organizations at Geneva. The Commission was informed at its August 1991 session that the organizations had implemented the Commission's recommended scales with effect from 1 January 1991.

B. Survey of best prevailing conditions of service at Vienna

175. As part of its responsibilities under article 12 of its statute, the Commission conducted a survey of best prevailing conditions of service for the General Service and related categories and language teaching staff at Vienna. The salary scales recommended by the Commission are reproduced in annex VIII. The recommended salary scales for the General Service and language teaching staff are lower than the current scales by 2.05 and 6.7 per cent, respectively. The net financial implications of the Commission's recommendations were, however, estimated at approximately $400,000 per annum in the short term owing to increases in dependency allowances and net salary increases for lower grade levels of the recommended scale for General Service and related categories. In addition, it is expected that transitional measures would apply to General Service and language teaching staff to ensure no reduction in salaries. In the longer term, however, savings estimated at $1.1 million per annum would accrue because increases resulting from future interim adjustments would be proportionally reduced to ensure the eventual implementation of the lower salary scales. United States dollar amounts were calculated using the exchange rate of 11.9 Austrian schillings to one United States dollar in effect on 1 April 1991.

C. Review of the methodologies of the surveys of best prevailing conditions of employment at headquarters and non-headquarters duty stations

176. The Commission considered a document containing proposed arrangements for the review of the general methodology for surveys of best prevailing conditions at both headquarters and non-headquarters duty stations. It was recalled that the General Assembly, in its resolution 45/241, section XIII, paragraph 4, had noted that the Commission would review the methodology for the conduct of salary surveys of the General Service and related categories and requested the Commission to present a report on the review to the Assembly at its forty-seventh session, in 1992.

Views of the organizations

177. The Chairman of CCAQ stated that the organizations would be pleased to participate fully in all aspects of the next stage of the review. The authority for establishing the relevant facts as well as making recommendations regarding the salary scale of staff in the General Service category at headquarters locations was vested with the Commission, and with the organizations for the non-headquarters locations. For non-headquarters locations, two organizations of the common system were vested with responsibility for reaching decisions on salary surveys and others were designated to carry out such surveys. Those two organizations would therefore need to provide the necessary documentation on the operation of the non-headquarters methodology.

178. On the basis of the extensive experience gained in the surveys for which organizations had been responsible, CCAQ considered that this initial documentation would reflect the criteria on which the current methodology was to be evaluated. Methodological issues could be analysed in groups, based on the main phases of the salary survey process. The representative of the United Nations indicated that while an appropriate framework and approach was necessary in such a review, he hoped that a focus would be maintained on the salary survey process rather than an examination of all aspects of the General Service category. He suggested that the headquarters and non-headquarters reviews should take place sequentially. He believed the headquarters steering committee for salary surveys at field duty stations would be a useful mechanism to provide a review of experience with the current methodology in view of the fact that the ICSC secretariat was directly involved only in headquarters surveys.

Views of the staff representatives

179. The representative of FICSA noted that the current methodology for performing General Service salary surveys had passed a test of reasonability: over the past six years, General Service salaries at duty stations as diverse as New York, Geneva, Paris and Manila had retained their purchasing power. Nevertheless, there were weak points in the methodology that had come to light during the recent round of surveys, and that merited review. Such a review would logically also include the interim adjustment procedure. As an alternative to the ICSC secretariat's proposal, he suggested an initial tripartite meeting at which input could be obtained from all parties on the

perceived strengths and weaknesses of the current methodology. That input would complement the secretariat's own views and expedite the preparation of documentation and the later review by the working group. In the light of the secretariat's other priorities, he suggested that a meeting be convened during the first quarter of 1992. FICSA understood from the secretariat's paper that the study would focus on the methodology for surveying the conditions and developing a General Service salary scale from them and not on the principle of best prevailing local conditions at both headquarters and non-headquarters duty stations.

180. The representative of CCISUA stated that CCISUA also wished to take part in the review of the methodology. He indicated that the review should address a broad range of issues and that CCISUA wished to introduce certain proposals to make the methodology more current.

Discussion by the Commission

181. Several members of the Commission emphasized that the approach to the review should go well beyond a "fine tuning" of the current methodology. Rather, they saw it as an opportunity to have an in-depth study of all aspects related to the methodology and its underlying principles, which would include studies of the impact on the system at large, as well as the cost-effectiveness of the methodology. In their view, before a study of that kind was undertaken, the Commission should first be provided with statistics on recruitment and retention problems for the categories of staff involved as well as other relevant information, such as the relationship of the methodology for the General Service and related categories to other categories of staff. The Commission noted that the General Assembly, in section XIV of its resolution 45/241, had already requested the Commission to study the question of grade overlap between the Professional and higher categories and other categories of staff in the United Nations common system. It was indicated that such a study could take place in conjunction with the study on the survey methodology.

182. It was noted that the General Service salary survey methodology had been the subject of a number of studies by the Commission and earlier institutions. In those reviews, the focus had not solely been on the application of the methodology, but had also included fundamental principles. The Commission considered that it would be useful if a compilation of the most relevant information could be made available to it as soon as possible.

183. The Commission recalled that it was expected to report to the General Assembly at its forty-seventh session on the issue. Therefore, by its thirty-fifth session, in March 1992, the Commission expected to receive a maximum amount of information, based on the previous studies and results in that regard as well as the comments of the Commission itself, its secretariat, organizations and staff, about the surveys it had considered in recent years, in order to enable it to provide policy guidance for the study on the methodology.

Decisions by the Commission

184. The Commission decided:

(a) To request its secretariat to carry out consultations with representatives of the administrations and of the staff at an informal working group before the thirty-fifth session of the Commission to prepare, as requested by its members, a preliminary document that would enable the Commission to provide policy guidance to a formal working group;

(b) To establish a formal working group to be convened after the spring session of 1992, including members of the Commission and representatives of the administrations and of the staff to report to the thirty-sixth session of the Commission;

(c) To complete the review of the methodology for headquarters duty stations in 1992 and to address the issue of the methodology for non-headquarters duty stations in 1993.

CHAPTER VI

CONDITIONS OF SERVICE APPLICABLE TO BOTH CATEGORIES

Methodology to determine the level of the education grant

185. It will be recalled that in its sixteenth annual report, the Commission had informed the General Assembly that it would undertake a full study of the process for setting education grant levels in 1991. 13/ The Assembly, in its resolution 45/241, section X, took note of that intention of the Commission.

186. The Commission intended to address the above-mentioned issue at its August 1991 session on the basis of a document which the organizations had agreed to prepare. However, as the CCAQ document was received very late during the session, the Commission was unable to address the matter. The Commission agreed that it would examine the CCAQ document and reach conclusions regarding the process for setting education grant levels at its March 1992 session. It would then use those conclusions at its summer 1992 session to review the levels of the grant and submit its recommendations concerning both the process of setting, and the levels of, education grant to the General Assembly at its forty-seventh session in 1992.

CHAPTER VII

ACTION TAKEN BY THE COMMISSION UNDER ARTICLE 17 OF ITS STATUTE

Implementation of the decisions and recommendations of the Commission

187. The Commission considered the implementation of its decisions and recommendations with respect to job classification issues at Addis Ababa, Geneva and Baghdad, as well as the common classification standards in small and medium-sized duty stations.

188. In that respect, the Commission noted the completion of the implementation of the job classification standards for the General Service and related categories at Addis Ababa by the United Nations. It also noted the proposed job classification standard for the General Service category at Geneva and delegated to the Chairman the authority to promulgate the common job classification standard for the General Service and related categories at Geneva.

189. The Commission noted that the United Nations had reported that it was not in a position to finalize the implementation on the job classification standards for the General Service and related categories at Baghdad at the present time. It would do so as soon as the situation at that duty station made it possible.

190. With regard to the common classification standards in small and medium-sized duty stations, the Commission noted the progress achieved in the implementation of those standards, which had provided an effective link between the salary and survey methodology and the job classification standards. There had also been considerable progress in converting local salary scales to a standard seven levels. The Commission delegated to its Chairman the authority to promulgate a revised version of the standards which would apply to all non-headquarters duty stations in particular.

Notes

1/ ILO, FAO, UNESCO, ICAO, WHO, UPU, ITU, WMO, IMO, WIPO, IAEA and UNIDO.

2/ GATT and IFAD.

3/ Resigned from ACPAQ in March 1991.

4/ Official Records of the General Assembly, Forty-fifth Session, Supplement No. 30 (A/45/30).

5/ Ibid., paras. 55-57.

6/ Ibid., paras. 173-189; and Addendum, paras. 2-12.

7/ Ibid., Addendum, paras. 10 and 11.

8/ Ibid., Supplement No. 30 (A/45/30), para. 187.

9/ Ibid., Forty-fourth Session, Supplement No. 30 (A/44/30), vol. II, paras. 118 and 119.

10/ Ibid., Forty-fifth Session, Supplement No. 30 (A/45/30), paras. 207 and 208.

11/ Ibid., para. 95.

12/ Ibid., Forty-first Session, Supplement No. 30 (A/41/30), paras. 85-104.

13/ Ibid., Forty-fifth Session, Supplement No. 30 (A/45/30), para. 251.

ANNEX I

General Service staff assessment

Pensionable remuneration

(In United States dollars)

Net salary	Current (A)	Proposed assessment (percentage) (B)	(C) B/A*100
2 000	2 256	2 366	104.9
5 000	5 807	6 076	104.6
8 000	9 590	9 897	103.2
12 000	14 789	15 065	101.9
16 000	20 167	20 320	100.8
20 000	25 722	25 653	99.7
25 000	32 882	32 365	98.4
30 000	40 303	39 129	97.1
35 000	47 938	45 932	95.8
40 000	55 750	52 781	94.7
50 000	71 375	66 597	93.3
60 000	87 000	80 634	92.7
70 000	102 625	94 718	92.3
80 000	118 250	108 803	92.0
90 000	133 875	122 887	91.8

Staff assessment rates

Assessable salary	Cumulative	Assessment (percentage) Current	Proposed
Up to 2 000	Up to 2 000	11	15
Next 2 000	Up to 4 000	14	18
Next 2 000	Up to 6 000	17	20
Next 2 000	Up to 8 000	20	21
Next 4 000	Up to 12 000	22	22
Next 4 000	Up to 16 000	24	23
Next 4 000	Up to 20 000	26	24
Next 6 000	Up to 26 000	28	25
Next 6 000	Up to 32 000	30	25.5
Next 6 000	Up to 38 000	32	26
Next 8 000	Up to 46 000	34	26.5
Next 8 000	Up to 54 000	36	27
Next 8 000	Up to 62 000	36	27.5
Next 8 000	Up to 70 000	36	28
Remaining		36	29

ANNEX II

A. Comparison of average net remuneration of United Nations Officials in New York and United States officials in Washington, D.C. by equivalent grades

(Margin as at 1 August 1991)

Grade	Net remuneration: United Nations a/ $	Net remuneration: United States b/ $	United Nations/ United States ratio (United States, Washington = 100)	Weights for calculation of overall ratio c/
(1)	(2)	(3)	(4)	(5)
P-1	36 331	21 630	168.0	4.0
P-2	46 181	31 558	146.3	11.4
P-3	56 031	41 485	135.1	18.8
P-4	65 882	51 413	128.1	28.3
P-5	75 732	61 341	123.5	27.3
D-1	85 582	71 268	120.1	7.9
D-2	95 432	81 196	117.5	2.3
Weighted average ratio before adjustment for cost-of-living differential, New York/Washington:				130.9
Cost-of-living ratio New York/Washington:				110.1
Weighted average ratio, adjusted for cost-of-living difference:				118.9

a/ Regressed average United Nations salaries by grade reflecting two months (multiplier 55), eight months (multiplier 47.8) and two months (multiplier 53.8) for 1991.

b/ Average salaries based on Washington area United States federal civil service in comparable positions provided by the Office of Personnel Management to reflect published salary scales effective January 1991.

c/ These weights correspond to the United Nations common system staff in grades P-1 to D-2, inclusive, serving at Headquarters and established offices as at 31 December 1990.

B. Post adjustment multiplier projections and consequent margins

Method:	(i) Suspension of automatic freezes		(ii) Partial class		(iii) Comparator limit		(iv) Freeze methodology	
Date	Pay index	Margin	Pay index	Margin	Pay index	Margin	Pay index	Margin
August 1991	147.8	118.9	147.8	118.9	147.8	118.9	147.8	118.9
November 1991	153.8	118.9	153.8	118.9	153.8	118.9	153.8	118.9
July 1992	161.4	120.9	158.7	119.9	160.3	120.5	153.8	118.0
March 1993	169.6	123.9	163.5	119.9	167.0	122.2	161.5	118.0
March 1994	177.3	120.2	171.0	116.4	174.6	118.6	168.9	114.6

Note:

(a) Pay index corresponds to base pay plus applicable multiplier.

(b) All margin estimates assume a New York/Washington cost-of-living differential of 10.1 per cent.

(c) Eight-month periods between post adjustment increases in 1992 and 1993 have been assumed as the maximum likely increases bearing in mind possible in-area and out-of-area index increases. Inflation increases for 1994 assumed at 5 per cent per year.

ANNEX III

United States Federal Employees Pay Comparability Act of 1990

1. The Federal Employees Pay Comparability Act (FEPCA) of 1990 was enacted by the United States Congress on the basis of major findings of the Office of Personnel Management (OPM) which included, inter alia, the following: significant geographic salary variations existed within the United States for all groups, but the greatest variations were in the clerical and technical groups; private sector pay tended to be highest in the north-east and along the Pacific coast; federal salaries trailed those in the private sector in most occupations and most areas by widely varying amounts. OPM had also concluded that the problems with the current system included: inflexibility in dealing with changing local labour market conditions; use of over-grading to compensate for low pay; recruitment and retention problems; systemic pay compression; employee dissatisfaction.

2. The new pay system under FEPCA was approved and was expected to enable the Government to recruit, motivate and retain a qualified and representative workforce; to respond effectively to divergent and dynamic labour markets; to spend limited payroll dollars wisely; to function smoothly and predictably over time; and to be understandable and credible to those affected.

3. The pay-setting process under FEPCA begins as of January 1994 and would essentially have two components. There would be a national adjustment to pay scales based on the employment cost index (ECI) minus 0.5 per cent. Under the local comparability payments aspect of FEPCA, the goal would be to establish full market comparability. Local comparability payments would be mandated in areas with a pay gap of more than 5 per cent based on local surveys of non-federal employers, the intention being to close the gap at least by the year 2002. Prior to the introduction of locality payments, the General Schedule would be adjusted for the years 1992 and 1993 by full ECI, rather than ECI minus 0.5 per cent.

4. After 1994, the President of the United States has discretionary powers to reduce ECI and/or locality payments based on national emergency or serious economic conditions. In arriving at his decisions, the President is required to consider the impact on the workforce and to submit a report to the Congress.

5. Under a special provision of FEPCA, geographic adjustments up to 8 per cent in selected areas have already been granted by the President. Under special authorities and flexibilities for agencies and managers, recruitment and relocation bonuses and retention allowances may be granted. Hiring above the minimum rate at all grades would also be permitted. A waiver of dual compensation restrictions on re-employed annuitants would also be possible. These are some of the important features of the new legislation.

ANNEX IV

A. Proposed base/floor salary scale for the Professional and higher categories. Annual gross salaries and net equivalents after application of staff assessment

(In United States dollars - effective March 1992)

Level/Steps		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV	XV
USG	Gross	141 342														
	Net D	83 298														
	Net S	74 800														
ASG	Gross	128 077														
	Net D	76 400														
	Net S	69 069														
D-2	Gross	104 108	106 506	108 902	111 298	113 696	116 094									
	Net D	63 936	65 183	66 429	67 675	68 922	70 169									
	Net S	58 715	59 751	60 786	61 821	62 857	63 893									
D-1	Gross	91 617	93 632	95 645	97 658	99 672	101 719	103 771	105 825	107 875						
	Net D	57 357	58 425	59 492	60 559	61 626	62 694	63 761	64 829	65 895						
	Net S	52 950	53 909	54 867	55 825	56 784	57 683	58 569	59 456	60 342						
P-5	Gross	80 321	82 143	83 966	85 789	87 611	89 432	91 257	93 077	94 900	96 723	98 545	100 373	102 233		
	Net D	51 370	52 336	53 302	54 268	55 234	56 199	57 166	58 131	59 097	60 063	61 029	61 994	62 961		
	Net S	47 573	48 440	49 308	50 176	51 043	51 910	52 778	53 645	54 512	55 380	56 247	57 101	57 905		
P-4	Gross	65 533	67 278	69 022	70 767	72 511	74 256	75 998	77 744	79 489	81 255	83 032	84 809	86 587	88 362	90 142
	Net D	43 388	44 330	45 272	46 214	47 156	48 098	49 039	49 982	50 924	51 865	52 807	53 749	54 691	55 632	56 575
	Net S	40 317	41 173	42 030	42 887	43 743	44 600	45 455	46 312	47 169	48 017	48 863	49 709	50 555	51 400	52 248
P-3	Gross	52 951	54 504	56 095	57 704	59 313	60 920	62 529	64 140	65 763	67 402	69 039	70 678	72 317	73 956	75 594
	Net D	36 432	37 317	38 202	39 087	39 972	40 856	41 741	42 627	43 512	44 397	45 281	46 166	47 051	47 936	48 821
	Net S	34 032	34 838	35 638	36 436	37 234	38 031	38 829	39 628	40 430	41 234	42 038	42 843	43 648	44 452	45 257
P-2	Gross	42 129	43 471	44 812	46 195	47 582	48 970	50 360	51 747	53 135	54 525	55 945	57 384			
	Net D	30 206	30 998	31 789	32 581	33 372	34 163	34 955	35 746	36 537	37 329	38 120	38 911			
	Net S	28 349	29 076	29 803	30 525	31 245	31 965	32 687	33 407	34 127	34 848	35 564	36 277			
P-1	Gross	31 575	32 825	34 070	35 329	36 617	37 907	39 197	40 485	41 773	43 064					
	Net D	23 911	24 673	25 433	26 194	26 954	27 715	28 476	29 236	29 996	30 758					
	Net S	22 564	23 265	23 963	24 663	25 361	26 061	26 760	27 458	28 156	28 856					

B. Staff assessment rates used in conjunction with gross base salaries and the gross amounts of separation payments for staff members with neither a dependent spouse nor a dependent child

Total assessable payments (United States dollars)	Staff assessment rates
First $15 000 per year	17.3
Next $ 5 000 per year	34.3
Next $ 5 000 per year	38.4
Next $ 5 000 per year	41.8
Next $ 5 000 per year	43.9
Next $10 000 per year	45.8
Next $10 000 per year	48.1
Next $10 000 per year	50.4
Next $15 000 per year	50.9
Next $20 000 per year	52.4
Remaining assessable payments	56.8

ANNEX V

Methodology for identification of the highest-paid national civil service

The proposed methodology for identifying the highest-paid national civil service is as follows.

Phase I

Step 1: Review existing criteria for selecting potential comparator(s), i.e., existing ICSC guidelines relating to national civil services employing significant numbers of staff at the relevant levels and having established grading patterns and conditions of remuneration and benefits;

Step 2: Select potential comparators for study using the criteria and empirical considerations, as necessary;

Step 3: Identify and evaluate cash and any significant non-cash compensation of potential comparators. This is a process of elimination in which it is anticipated that most of the potential comparators would be eliminated by an examination of compensation provisions. A strictly limited but representative job-matching exercise should be undertaken using a sample of position descriptions from each potential comparator to determine approximate grade equivalencies vis-à-vis the United Nations common system. The result of this process would be the selection of a minimal number of national civil services based on their net compensation provisions for further study in phase II. In evaluating compensation levels, appropriate income taxes and existing post-adjustment relativities would be applied;

Step 4: The results of step 3 would be provided to the Commission to seek its guidance with regard to proceeding to phase II.

Phase II

Step 1: Obtain a broadly representative sample of positions in the selected national civil services which are comparable to those in the Professional and higher categories in the United Nations. Evaluate those positions according to the United Nations master standard for classification;

Step 2: Identify and quantify all cash and non-cash remuneration elements paid by the minimal number of potential best comparators. The quantification of non-cash elements would be based on a modified total compensation approach using the existing methodology;

Step 3: Quantify retirement, health, life/accident and other relevant non-cash schemes;

Step 4: Calculate taxes payable to arrive at net remuneration;

Step 5: Determine exchange rate/cost-of-living adjustment methods to be used in converting remuneration amounts to a common base;

Step 6: Aggregate cash and non-cash values applying appropriate exchange rate/cost-of-living adjustment methods in order to rank the best potential comparators;

Step 7: Compare the aggregate of cash and non-cash elements of the top-ranked comparator in step 6 above to that of the current comparator based on a grade equivalency study along the lines of the periodic exercises conducted with the United States federal civil services.

ANNEX VI

United States housing benefit paid by the comparator to officials of the United States Mission to the United Nations vis-à-vis the revised Assistant Secretary-General, Under-Secretary-General housing subsidy proposals

1. With regard to the treatment of housing for staff of the United States Mission to the United Nations, a significant revision of the relevant United States rules occurred in 1988. Under current law, the principal and deputy United States representatives are provided accommodations which require a contribution by the representatives of 20 per cent of their gross salary. Up to 23 officials of the Mission may receive accommodations leased by the United States Government for which a contribution of 20 per cent of their gross salary is required. The 20 per cent contribution is offset, however, to the extent that federal, state and local taxes must be paid on the value of the housing provided. The value of the housing provided is determined by the United States Department of State.

2. In order to quantify the net value of this benefit to staff the following example is provided:

Monthly (in United States dollars)

Gross salary a/ (a)	Housing cost/value (b)	Staff contribution (c)	Tax on housing (d)	Effective staff cost (e)	United States Government "subsidy" (b)-(e) (f)
9 608	2 100	1 922	688	1 922	178
9 608	3 400	1 922	1 114	1 922	1 478
9 608	4 160	1 922	1 362	1 922	2 238
9 608	7 500	1 922	2 737	2 737	4 763

3. As may be noted, the United States Government "subsidy" is a function of the cost/value of housing vis-à-vis the staff contribution and any additional taxes levied above the staff contribution amount. It is also worth noting that as the salary level decreases the subsidy amount increases for the same level of housing costs.

4. If one compares these subsidy amounts to the amounts that would be granted under the proposed revised rental subsidy scheme for Assistant Secretary-General, Under-Secretary-General levels, the following comparative chart is produced.

Example of housing subsidy under United States scheme and proposal by the International Civil Service Commission

(Monthly, in United States dollars)

Example	Housing cost/value	United States Government subsidy (for Exec. III)	Assistant Secretary-General, Under-Secretary-General proposal
A	2 100	178	0
B	3 400	1 478	918
C	4 160	2 238	1 526
D	7 500	4 763	1 690

5. The Assistant Secretary-General, Under-Secretary-General proposal figures in the above table are based on an update of the examples provided in annex XI of the sixteenth annual report of the Commission. b/ The update is based on the current net salary level of an Assistant Secretary-General at the dependency level ($8,665 per month). The rental subsidy threshold for New York remains at 26 per cent as in the annex XI example. In this case, the threshold is $2,253. The following updated examples are therefore provided:

Examples (for four Assistant Secretary-General level officials in New York)

Official A rents a dwelling costing $2,100 per month. As the rent is lower than the threshold rent of $2,253, no subsidy will be paid. Consequently, total take-home pay will amount to $8,665 per month. Net rent paid by the staff member = $2,100 per month.

Official B rents a dwelling costing $3,400 per month. As a result, a rental subsidy of ($3,400 - $2,253) x 0.8 = $918 per month will be paid. Consequently, total take-home pay will amount to ($8,665 + $918) = $9,583. Net rent paid by the staff member ($3,400 - $918) = $2,482.

Official C rents a dwelling costing $4,160 per month. As a result, a rental subsidy of ($4,160 - $2,253) x 0.8 = $1,526 per month will be paid. Consequently, total take-home pay will amount to ($8,665 + $1,526) = $10,191. Net rent paid by the staff member ($4,160 - $1,526) = $2,634 per month.

Official D rents a dwelling costing $7,500 per month. Usual rental subsidy calculations will result, in this case, in a rental subsidy of $4,198 per month. However, the rental subsidy will be limited to a maximum amount of $1,690 per month. Consequently, total take-home pay will amount to ($8,665 + $1,690) = $10,355. Net rent paid by the staff member ($7,500 - $1,690) = $5,810 per month.

Notes

a/ Gross salary = $115,300 (Executive Level III).

b/ *Official Records of the General Assembly, Forty-fifth Session, Supplement No. 30* (A/45/30).

ANNEX VII

A. Recommended net salary scale for staff in the General Service and related categories at Geneva

(In Swiss francs)

(1 January 1991)

Grade	Step I	Step II	Step III	Step IV	Step V	Step VI	Step VII	Step VIII	Step IX	Step X	Step XI	Step XII*
G-1	42 900	44 315	45 730	47 145	48 560	49 975	51 390	52 805	54 220	55 635	57 050	58 465
G-2	46 763	48 304	49 845	51 386	52 927	54 468	56 009	57 550	59 091	60 632	62 173	63 714
G-3	50 959	52 643	54 327	56 011	57 695	59 379	61 063	62 747	64 431	66 115	67 799	69 483
G-4	55 587	57 420	59 253	61 086	62 919	64 752	66 585	68 418	70 251	72 084	73 917	75 750
G-5	60 830	62 837	64 844	66 851	68 858	70 865	72 872	74 879	76 886	78 893	80 900	82 907
G-6	66 609	68 807	71 005	73 203	75 401	77 599	79 797	81 995	84 193	86 391	88 589	90 787
G-7	72 938	75 345	77 752	80 159	82 566	84 973	87 380	89 787	92 194	94 601	97 008	99 415

* Long-service step.

B. Recommended net salary scale for language teaching staff of the United Nations at Geneva

(In Swiss francs)

(1 January 1991)

S T E P S												
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII*	XIII*
62 510	64 244	65 978	67 712	69 446	71 180	72 914	74 648	76 382	78 116	79 850	81 584	83 318

* Long-service steps.

ANNEX VIII

A. Recommended net salary scale for staff in the General Service and manual workers categories at Vienna

(in Austrian schillings)

(1 April 1991)

	S T E P S											
Grade	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII*
G-1	208 785	215 466	222 147	228 828	235 509	242 190	248 871	255 552	262 233	268 914	275 595	282 276
G-2	241 565	249 295	257 025	264 755	272 485	280 215	287 945	295 675	303 405	311 135	318 865	326 595
G-3	279 490	288 434	297 378	306 322	315 266	324 210	333 154	342 098	351 042	359 986	368 930	377 874
G-4	323 370	333 718	344 066	354 414	364 762	375 110	385 458	395 806	406 154	416 502	426 850	437 198
G-5	374 139	386 111	398 083	410 055	422 027	433 999	445 971	457 943	469 915	481 887	493 859	505 831
G-6	432 879	446 731	460 583	474 435	488 287	502 139	515 991	529 843	543 695	557 547	571 399	585 251
G-7	500 841	516 868	532 895	548 922	564 949	580 976	597 003	613 030	629 057	645 084	661 111	677 138

* Long-service step.

B. Recommended salary scale for language teaching staff at Vienna

(in Austrian schillings)

(1 April 1991)

	S T E P S												
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII*	XIII*
Net	436 915	450 896	464 877	478 858	492 839	506 820	520 801	534 782	548 763	562 744	576 725	590 706	604 687

* Long-service steps.

كيفية الحصول على منشورات الأمم المتحدة

يمكن الحصول على منشورات الأمم المتحدة من المكتبات ودور التوزيع في جميع أنحاء العالم . استعلم عنها من المكتبة التي تتعامل معها أو اكتب إلى : الأمم المتحدة ، قسم البيع في نيويورك أو في جنيف .

如何购取联合国出版物

联合国出版物在全世界各地的书店和经售处均有发售。请向书店询问或写信到纽约或日内瓦的联合国销售组。

HOW TO OBTAIN UNITED NATIONS PUBLICATIONS

United Nations publications may be obtained from bookstores and distributors throughout the world. Consult your bookstore or write to: United Nations, Sales Section, New York or Geneva.

COMMENT SE PROCURER LES PUBLICATIONS DES NATIONS UNIES

Les publications des Nations Unies sont en vente dans les librairies et les agences dépositaires du monde entier. Informez-vous auprès de votre libraire ou adressez-vous à : Nations Unies, Section des ventes, New York ou Genève.

КАК ПОЛУЧИТЬ ИЗДАНИЯ ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ

Издания Организации Объединенных Наций можно купить в книжных магазинах и агентствах во всех районах мира. Наводите справки об изданиях в вашем книжном магазине или пишите по адресу: Организация Объединенных Наций, Секция по продаже изданий, Нью-Йорк или Женева.

COMO CONSEGUIR PUBLICACIONES DE LAS NACIONES UNIDAS

Las publicaciones de las Naciones Unidas están en venta en librerías y casas distribuidoras en todas partes del mundo. Consulte a su librero o diríjase a: Naciones Unidas, Sección de Ventas, Nueva York o Ginebra.

Litho in United Nations, New York ISSN 0251-9321 30734—October 1991—4,425